

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

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

Introduction

This quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This financial report should be read in conjunction with the [2021-22 Main Estimates](#). This financial report has not been subject to an external audit or review.

Mandate and program activities

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

The Commission has two core responsibilities: Conservation and Promotion of Heritage, in addition to Internal Services. Additional information on the mandate, roles, responsibilities and programs of the Commission can be found in the Commission's [2021-22 Departmental Plan](#).

Basis of presentation

This quarterly report has been prepared by management using expense-based accounting. The accompanying Statement of Authorities includes the Commission's spending authorities granted by Parliament, and those used by the Commission consistent with the Main Estimates for the 2021-22 fiscal year. This quarterly report has been prepared using a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

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

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

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

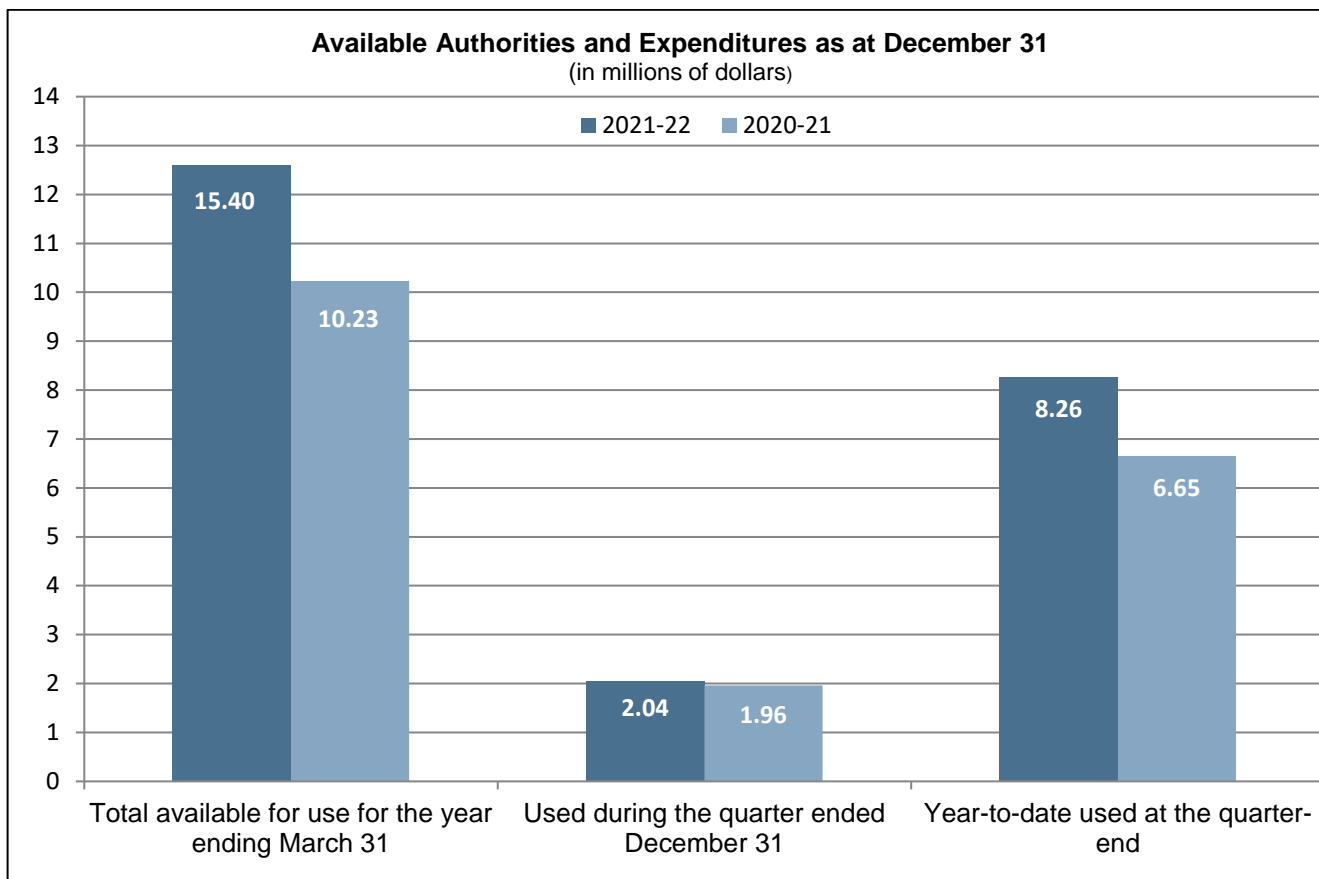
NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

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

This section highlights the significant items that contributed to the variations in resources available for the year and in expenditures used during the quarter ended September 30, 2021 and year-to-date at the quarter-end. The graph below outlines the variations in budgetary authorities and the expenditures. More details on these variations can be found in the following sections.



NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

Variations in authorities

As at December 31, 2021, total usable budgetary authorities for the year 2021-22 increased by \$5.17 million compared to the same quarter last year, from \$10.23 million to \$15.40 million.

During the quarter, Appropriation Act approval associated with the Estimates provided the Commission with \$6.1 million, consisting of \$2 million to alleviate pandemic (COVID-19) pressures and \$4.1 million to address salary and program integrity issues. This grant allowed the Commission to redistribute its expenditures under subsection 29.1(1) of the Financial Administration Act, i.e. the expenditures possible from its revenues, towards the Conservation and Promotion of Heritage program expenditures, and Internal Services. It should be noted that the Commission gave back the temporary authorization granted to the second quarter of 2021-22, when it had been able to draw \$3.3 million from Treasury Board Vote 5 – Government Contingencies, in order to make certain expenses required during the summer period until Royal Assent of the Appropriation Act.

Authorities also varied due to a combination of the following:

- In the second quarter of the previous fiscal year, exceptionally, the pandemic situation affected authorities with the addition of a statutory appropriation of \$1.11 million as one-time pandemic assistance under the *Public Health Events National Concern Payments Act*;
- Other slight variations affect the authorities available with an increase of \$0.18 million, i.e. a decrease in authorities for health and safety investment projects, an increase in authorities for compensatory adjustments from the Treasury Board Secretariat following the signing of collective agreements and the increase in the employee benefit plan, as well as the increase in the operating budget carry forward from the previous year.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

Statement of authorities as at December 31 (in thousands of dollars)	2021-22			2020-21			Variance		
	Total available for use for the year ending March 31, 2022	Used during the quarter ended December 31, 2021	Year-to-date used at quarter end	Total available for use for the year ended March 31, 2021	Used during the quarter ended December 31, 2020	Year-to-date used at quarter end	Total available for use	Used during the quarter	Year-to-date used
Program expenditures	12,178	1,978	7,706	6,788	1,454	4,060	5,390	524	3,646
Contributions to employee benefit plans	1,226	(147)	266	333	84	250	893	(231)	16
Expenditures pursuant to subsection 29.1(1) of the <i>Financial Administration Act</i>	2,000	205	289	2,000	427	1,232	-	(222)	(943)
Expenditures pursuant to the <i>Public Health Events of National Concern Payments Act</i>	-	-	-	1,112	-	1,112	(1,112)	-	(1,112)
Total authorizations	15,404	2,036	8,261	10,233	1,965	6,654	5,171	71	1,607

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

Variations in expenditures

Compared to the previous year, total expenditures recorded at the end of the quarter ending December 31 increased by \$1.61 million, from \$6.65 million to \$8.26 million, an increase of 24%. The cumulative expenditures in the first three quarters represent 54% of the available authorizations, compared to 65% as at December 31, 2020.

The most significant variance is in the personnel standard object, which increased by \$1.17 million, mainly due to retroactive salary expenses, salary increases applied as a result of collective agreement negotiations and position reclassifications, the resumption of activities of the interpretive team, and a general management position that was filled.

Also, in several expenditure items, the funding obtained allowed for investments of \$0.61 million to improve the services offered to users, with multiple initiatives: a historic installation on the site of major events since major gatherings were canceled, the improvement of the winter activities offer and its promotion, with the illumination of the Joan of Arc Garden, the snowmaking for the cross-country ski trails, the addition of a sliding area and a warm station, as well as the modernization of the telecommunications network on the site.

The decrease in Professional and Special Services of \$0.17 million is explained by the completion of the Building Condition Report in 2020-21 which resulted in an expenditure of \$0.39 million versus \$0.22 million in 2021-2022 for expertise in the Conservation program, cliff consolidation and subsidence correction, surveying and expertise, maintenance of buildings, monuments and infrastructure, and professional fees to support human resources and establish the Commission's strategic planning.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

Expenditures by standard object	2021-22			2020-21			Variance		
	Planned for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Planned for the year ended March 31, 2021	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	6,849	721	4,099	3,831	1,143	2,925	3,018	(422)	1,174
Transportation and communications	120	23	71	320	22	72	(200)	1	(1)
Information	275	107	189	475	45	101	(200)	62	88
Professional and special services	1,624	354	678	1,075	466	848	549	(112)	(170)
Rentals	80	25	35	280	23	31	(200)	2	4
Repair and maintenance services	2,379	238	412	753	122	304	1,626	116	108
Utilities, materials and supplies	484	268	489	684	135	347	(200)	133	142
Acquisition of land, buildings and works	-	-	-	-	-	-	-	-	-
Acquisition of machinery and equipment	900	300	305	130	9	35	770	291	270
Transfer payments	-	-	-	-	-	-	-	-	-
Other subsidies and payments	2,693	-	1,983	2,685	-	1,991	8	-	(8)
Total expenditures	15,404	2,036	8,261	10,233	1,965	6,654	5,171	71	1,607

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

Risks and uncertainties

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

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

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

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

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

- Accidents in the park and damage to Commission property:
 - High-quality general park maintenance;
 - Regular repair work;

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

- Prevention on the ground and patrols by the security service.

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

- Environmental impacts and inconveniences to users during construction work in the park and its surroundings:
 - Constant monitoring during construction;
 - Regular meetings with involved parties;
 - Implementation of mitigation measures to protect the park and reduce inconveniences for users.

Significant changes in relation to operations, personnel and programs

Impacts of the global coronavirus pandemic (COVID-19)

As soon as the pandemic was announced in March 2020, the Commission took steps to limit the spread of COVID-19 and reduce the risks for park users and employees, according to the advice of public health experts. In particular, it closed the Plains of Abraham Museum and public events were cancelled, including festivals and cultural and sporting events held on the Commission's sites. It also adopted digital alternatives for teleworking employees and for virtual educational activities, and postponed its advertising and promotional campaigns, while providing essential services to keep the park safe. Additionally, the Commission installed signage in the park and made adjustments to offices and public space to remind employees and users of physical distancing guidelines.

The impact of these changes on the Commission's operations remains unclear since after the gradual resumption of activities, certain sanitary measures are still in force, in accordance with government guidelines. On December 31, 2021, this situation had still not been resolved.

In addition, the Commission expects that it will not be able to use all of the authorities available for the fiscal year, as the economic situation affected by the pandemic, labour shortages and delays in supply chains are causing a slowdown in activities, particularly at the Commission's main project stakeholder, Public Services and Procurement Canada. As a result of these delays, a request for reprofiling of funds will be considered in order to complete the agreements in 2022-23 and will be subject to Treasury Board Secretariat approval.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2021

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

Approval by senior officials

Approved by:

The original version was signed by
Annie Talbot on February 28, 2022

The original version was signed by
Bernard Laquerre on February 28, 2022

Annie Talbot
Secretary-General Manager

Bernard Laquerre
Chief Financial Officer

Quebec City, Quebec
February 28, 2022