

The National Battlefields Commission

Financial Statements

March 31, 2024

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, 2024 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 Results 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 Financial Management*.

Ernst & Young LLP, the independent auditor, 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.

Original signed by:

Annie Talbot
Secretary and General Manager

Original signed by:

James Haberlin
Chief Financial Officer

Québec City, Canada
June 14, 2024

Independent auditor's report

To the Minister of Canadian Heritage

Opinion

We have audited the accompanying financial statements of **The National Battlefields Commission** (the "Commission"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations and departmental net financial position, the statement of change in departmental net debt for the year then ended, and the notes thereto, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*¹

Québec City, Canada
June 14, 2024

¹ CPA auditor, CA, public accountancy permit No. A133737

The National Battlefields Commission

Statement of Financial Position

As at March 31

(in dollars)

	<u>2024</u>	<u>2023</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	\$1,786,398	\$720,419
Vacation pay and compensatory leave	334,005	361,792
Accounts payable and accrued liabilities to other government departments	286,092	11,867
Employee future benefits (note 10)	25,513	31,182
Contingent liability (note 11)	70,000	-
Environmental liability (note 12)	999,921	-
Total net liabilities	<u>3,501,929</u>	<u>1,125,260</u>
Financial assets		
Due from Consolidated Revenue Fund	1,636,658	210,530
Accounts receivable (note 6)	435,832	521,756
Total net financial assets	<u>2,072,490</u>	<u>732,286</u>
Departmental net debt	<u>1,429,439</u>	<u>392,974</u>
Non-financial assets		
Tangible capital assets (note 7)	12,856,236	13,142,276
Total non-financial assets	<u>12,856,236</u>	<u>13,142,276</u>
Departmental net financial position	<u>\$11,426,797</u>	<u>\$12,749,302</u>

Contractual obligations (note 14)

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

Approved by the Board:

Original signed by:
Annie Talbot, Secretary-General Manager

Original signed by:
Jean Robert, Chair

Québec City, Canada
June 14, 2024

The National Battlefields Commission

Statement of Operations and Departmental Net Financial Position

Year ended March 31

(in dollars)

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	Planned results (unaudited)		
Expenses (note 9)			
Conservation	\$10,860,000	\$10,190,326	\$2,979,469
Promotion of Heritage	2,780,000	2,784,690	1,885,534
Internal Services	7,347,288	8,951,896	10,778,358
Total expenses	<u>20,987,288</u>	<u>21,926,912</u>	<u>15,643,361</u>
Revenues (note 13)			
Parking	1,300,000	1,233,496	1,357,175
Educational, cultural and heritage activities	750,000	804,718	692,606
Rent	40,000	50,297	68,876
Other revenues	200,000	553,458	316,866
Total revenues	<u>2,290,000</u>	<u>2,641,969</u>	<u>2,435,523</u>
Cost of operations	<u>18,697,288</u>	<u>19,284,943</u>	<u>13,207,838</u>
Excess of revenues over expenses (note 8)	<u>(90,000)</u>	<u>(34,766)</u>	<u>(28,758)</u>
Net cost of operations before government funding and transfer	<u>18,607,288</u>	<u>19,250,177</u>	<u>13,179,080</u>
Government funding and transfer			
Net cash provided by government		16,070,344	12,133,283
Increase (decrease) in due from Consolidated Revenue Fund		1,426,128	(697,266)
Common services provided without charge by a government department (note 15)		431,200	348,347
Net cost of operations after government funding and transfer		<u>1,322,505</u>	<u>1,394,716</u>
Departmental net financial position - beginning of year		<u>12,749,302</u>	<u>14,144,018</u>
Departmental net financial position - end of year		<u>\$11,426,797</u>	<u>\$12,749,302</u>

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

The National Battlefields Commission

Statement of Change in Departmental Net Debt

Year ended March 31

(in dollars)

	<u>2024</u>	<u>2023</u>
Net cost of operations after government funding and transfer	<u>\$1,322,505</u>	<u>\$1,394,716</u>
Change due to tangible capital assets		
Acquisitions of tangible capital assets	807,168	1,054,090
Amortization of tangible capital assets	<u>(1,093,208)</u>	<u>(2,251,981)</u>
Total change due to tangible capital assets	<u>(286,040)</u>	<u>(1,197,891)</u>
Change due to deposits on tangible capital assets	<u>-</u>	<u>(183,922)</u>
Net increase in departmental net debt	1,036,465	12,903
Departmental net debt - beginning of year	<u>392,974</u>	<u>380,071</u>
Departmental net debt - end of year	<u><u>\$1,429,439</u></u>	<u><u>\$392,974</u></u>

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

The National Battlefields Commission

Statement of Cash Flows

Year ended March 31

(in dollars)

	<u>2024</u>	<u>2023</u>
Operating transactions		
Net cost of operations before government funding and transfer	\$19,250,177	\$13,179,080
Non-cash items:		
Amortization of tangible capital assets	(1,093,208)	(2,251,981)
Services provided without charge by other government departments (note 15)	(431,200)	(348,347)
Changes in Statement of Financial Position:		
(Decrease) increase in accounts receivable	(85,924)	73,736
Decrease (increase) in accounts payable and accrued liabilities	(1,213,404)	324,487
Decrease (increase) in accounts payable and accrued liabilities to other government departments	(274,225)	510,829
Increase (decrease) in vacation pay and compensatory leave	27,787	(38,631)
Decrease in employee future benefits	5,669	10,728
Decrease (increase) in contingent liability	(70,000)	15,000
Increase in environmental liability	(999,921)	-
Cash used in operating activities	<u>15,115,751</u>	<u>11,474,901</u>
Capital investing activities		
Acquisitions of tangible capital assets	954,593	842,304
Decrease in deposits on tangible capital assets	-	(183,922)
Cash used in capital investing activities	<u>954,593</u>	<u>658,382</u>
Net cash provided by Government of Canada	<u><u>\$16,070,344</u></u>	<u><u>\$12,133,283</u></u>

Additional information:

	<u>2024</u>	<u>2023</u>
Acquisitions of tangible capital assets included in accounts payable and accrued liabilities	64,361	211,786

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

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

1. Authority and objectives

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

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 Québec Citadel, overlooking Cap-aux-Diamants;
The Plains of Abraham Museum on Wilfrid Laurier Avenue;
The Maison St-Laurent located at 201-03 Grande-Allée Est in Québec City;
The adjoining thoroughfares, two Martello Towers on the site and a tower in Québec City.

2. Change in an accounting policy

On April 1, 2023, the Commission adopted Section PS 3400, *Revenue*, issued by the Public Sector Accounting Board of Canada.

This new section establishes standards on how to account for and report on revenue, differentiating between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Under Section PS 3400, revenue from transactions with performance obligations are recognized when or as the entity satisfies a performance obligation by providing the promised goods or services; revenue from transactions with no performance obligations are recognized when an entity has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

In accordance with the transitional provisions, the Commission has adopted the new Section PS 3400 prospectively. The adoption of this new section had no significant impact on the Commission's financial statements.

3. 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 4 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 *2022-2023 Department Plan*. The planned results amounts are not included in the "Government funding and

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

transfer” section of the Statement of Operations and Departmental Net Financial Position or the Statement of Change in Departmental Net Debt as these amounts have not been included in the 2022-2023 *Department Plan*.

Liquidity risk is the risk that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. The Commission’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 FAA, 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 Commission’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 the government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government of Canada.

(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 consist of revenues from non-tax sources. They include exchange transactions, where goods or services are provided to satisfy a performance obligation, and non-exchange transactions, where there is no performance obligation to provide a good or service.

For transactions with performance obligations, revenues are recognized when or as the performance obligations are satisfied by providing the promised goods or services to the payor. Promised goods or services that are distinct are accounted for separately. Only the portion of the transaction price allocated to the performance obligations that have been satisfied is recognized as revenues.

For non-exchange transactions, revenues are recognized when the Commission has the authority to claim or retain an inflow of economic resources.

These transactions may be recurring or non-recurring in nature. Recurring transactions are considered continuous and routine operations that are part of the normal course of business and can be used to indicate whether these revenues can be reasonably expected to be earned again in future years. Deferred revenues consist of amounts received in advance for the delivery of goods and the provision of services that will be recognized as revenues in a year subsequent to that in which they are earned. Other revenues are recognized in the year in which the event that gave rise to the revenues occurred.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

(e) Expenses – 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 in the period during which the services are rendered.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (the Plan), a multiemployer pension plan administered by the Government of Canada. 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) Workers' compensation benefits: The Commission recognizes, at present value, the cost of compensation benefits to be paid when the event obligating it occurs. The liability for these benefits is recorded based on management's best assumptions regarding future salary escalation, 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) Contingent liabilities – Contingent liabilities are potential obligations which may become actual liabilities when one or more future events occur or fail to occur. To the extent that it is likely that a future event will confirm that a liability has been incurred as at the date of the financial statements and a reasonable estimate of the loss can be made, an estimated liability and an expense are recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(h) Environmental liabilities

An environmental liability for the remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists, the contamination exceeds the environmental standard, the Commission is directly responsible or accepts responsibility, it is expected that the future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Commission's best estimate of the amount required to remediate the sites to meet the minimum operating standard prior to contamination. When the future cash flows required to settle or cancel the liability are expected to extend over long future periods and can be estimated and predicted, the present value technique should be used. The discount rate used reflects the government's borrowing cost and is related to the estimated number of years required to complete the remediation. The recognized environmental liability is adjusted annually, as needed, based on adjustments to present value, inflation, new obligations, changes in management's estimates and actual costs incurred. If it is not possible to determine the likelihood of the government's responsibility, a contingent liability is disclosed in the notes to the financial statements.

(i) Accounts receivable – Accounts receivable are presented at the lower of cost or net realizable value. A provision is made for receivables where recovery is considered uncertain. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission is not exposed to significant credit risk. The Commission's maximum exposure to credit risk is equal to the carrying amount of its receivables.

(j) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The Commission does not capitalize works of art and historical treasures that have cultural, aesthetic or historical value.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Tangible capital 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 equipment	3 to 5 years
Computer software	3 to 5 years

Tangible assets under construction are not amortized until they are commissioned.

(k) 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 severance benefits and workers' compensation, the contingent liability, the environmental liability 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.

Environmental liabilities are subject to measurement uncertainty, as discussed in note 12 due to the constantly evolving technologies used to remediate contaminated sites, the use of a present value of estimated future costs and the fact that not all sites have been assessed for the extent and nature of remediation. Changes in underlying assumptions, timing of expenditures, the technology used to revise environmental standards or regulatory changes could result in significant changes to the environmental liabilities recognized.

(l) Related party transactions - Related party transactions, other than related entity transactions, are recognized at the exchange amount. Inter-entity transactions are transactions performed between entities under common control. Inter-entity transactions, other than restructuring transactions, are recognized on a gross basis and measured at the carrying amount, except for those that follow:

(i) Cost recovery services are recognized as revenues and expenditures on a gross basis and measured at the exchange amount.

(ii) Certain services received without charge are recognized at the carrying amount for the purposes of departmental financial statements. Other related party transactions, other than related entity transactions, are recognized at the exchange amount.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

4. 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 a given 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 depending on whether they are presented on a government funding basis or 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

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Net cost of operations before government funding and transfer	<u>\$19,250,177</u>	<u>\$13,179,080</u>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(1,093,208)	(2,251,981)
Services provided without charge by other government departments	(431,200)	(348,347)
Decrease (increase) in vacation pay and compensatory leave	27,787	(38,631)
Decrease (increase) in employee future benefits	(5,669)	10,728
Decrease (increase) in contingent liability	(70,000)	15,000
Increase in environmental liability	(999,921)	-
Costs related to the Commission Trust Fund	(22,515)	(860)
Non-tax income	2,617,969	2,395,340
Income from the Commission Trust Fund	<u>57,281</u>	<u>29,618</u>
Total items affecting net cost of operations but not affecting authorities	<u>91,862</u>	<u>(189,133)</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Decrease in deposits on tangible capital assets	-	(183,922)
Acquisitions of tangible capital assets	<u>807,168</u>	<u>1,054,090</u>
Total items not affecting net cost of operations but affecting authorities:	<u>807,168</u>	<u>870,168</u>
Current year authorities used	<u><u>\$20,149,207</u></u>	<u><u>\$13,860,115</u></u>

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

(b) Authorities provided and used

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Authorities provided:		
Canadian Heritage:		
Operating and capital expenditures	\$18,462,349	\$13,405,437
Unused parliamentary authorities	<u>(1,608,066)</u>	<u>(2,565,186)</u>
	16,854,283	10,840,251
Statutory-Contribution to employee benefit plans	676,955	624,524
Expenditures corresponding to revenues received under sub-section 29.1(1) of the FAA	<u>2,617,969</u>	<u>2,395,340</u>
Current year authorities used	<u><u>\$20,149,207</u></u>	<u><u>\$13,860,115</u></u>

5. Accounts payable and accrued liabilities

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

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Current accounts payable	\$1,122,437	\$299,226
Accrued salaries	637,455	386,665
Québec sales taxes collected	<u>26,506</u>	<u>34,528</u>
Total accounts payable and accrued liabilities	<u><u>\$1,786,398</u></u>	<u><u>\$720,419</u></u>

6. Accounts receivable

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

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Receivables - external parties (non-tax income)	\$127,874	\$92,018
Receivables - additional recoverable payments	67,718	76,551
Receivables - external parties (Québec sales tax)	132,177	65,192
Receivables - other government departments and agencies	<u>107,063</u>	<u>287,995</u>
Total receivables	<u><u>\$435,832</u></u>	<u><u>\$521,756</u></u>

The Commission has no provision for doubtful receivables from any source.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2024

7. Tangible capital assets

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	2024	2023
Land	\$724,710	\$—	\$—	\$724,710	\$—	\$—	\$—	\$—	\$724,710	\$724,710
Buildings	10,165,315	\$298,591	—	10,463,906	7,614,229	233,283	—	7,847,512	2,616,394	2,551,086
Works and infrastructure	14,559,713	—	—	14,559,713	6,638,188	536,989	—	7,175,177	7,384,536	7,921,525
Machinery and equipment	1,197,474	23,445	—	1,220,919	636,179	70,667	—	706,846	514,073	561,295
Vehicles	1,892,219	272,513	171,515	1,993,217	861,057	209,508	171,515	899,050	1,094,167	1,031,162
Computer equipment	791,861	212,619	—	1,004,480	439,363	42,761	—	482,124	522,356	352,498
Computer software	127,996	—	—	127,996	127,996	—	—	127,996	—	—
Total	\$29,459,288	\$807,168	\$171,515	\$30,095,187	\$16,317,012	\$1,093,208	\$171,515	\$17,238,705	\$12,856,236	\$13,142,276

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	2023	2022
Land	\$724,710	\$—	\$—	\$724,710	\$—	\$—	\$—	\$—	\$724,710	\$724,710
Buildings	11,338,212	—	1,172,897	10,165,315	7,973,913	813,213	1,172,897	7,614,229	2,551,086	3,364,299
Works and infrastructure	17,691,796	—	3,132,083	14,559,713	8,702,919	1,067,352	3,132,083	6,638,188	7,921,525	8,988,877
Machinery and equipment	1,912,003	—	714,529	1,197,474	1,201,894	148,814	714,529	636,179	561,295	710,109
Vehicles	1,259,488	984,983	352,252	1,892,219	1,175,773	37,536	352,252	861,057	1,031,162	83,715
Computer equipment	797,584	69,107	74,830	791,861	329,127	185,066	74,830	439,363	352,498	468,457
Computer software	238,923	—	110,927	127,996	238,923	—	110,927	127,996	—	—
Total	\$33,962,716	\$1,054,090	\$5,557,518	\$29,459,288	\$19,622,549	\$2,251,981	\$5,557,518	\$16,317,012	\$13,142,276	\$14,340,167

Amortization expense for the year ended March 31, 2024 was \$1,093,208 (\$2,251,981 in 2023).

The carrying amount of tangible capital assets that are not subject to amortization because they are currently under construction was nil as at March 31, 2024 and 2023.

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Collections and archaeological sites

Managing the collections and archaeological sites is an important part of the National Battlefields Commission's mandate, which consists of preserving and conserving the National Battlefields Park for future generations and to develop it so that the public fully benefits from these riches. Even if they are not capitalized as other goods, the collections and archaeological sites have incredible heritage and cultural value.

(a) Collections - The Commission manages collections of historical and archaeological objects. The collection of archaeological objects consists of a range of artefacts that evidence the varied lifestyles of the people that lived on the Battlefields Park land between the 17th and 20th centuries. These artefacts teach us about their customs and habits, as well as their domestic and industrial activities.

The collection of historical objects mostly consists of objects from the 19th and 20th centuries, including watercolour sketches and clothing. Moreover, the Commission has a collection of reproductions, including period costumes, tools and furniture that have been created based on original artefacts or historical data.

(b) Archaeological sites - An archaeological site consists of surface and below-ground ruins. Four main archaeological sites were excavated in the Battlefields Park, including the Des Braves Park, the advanced blockhouse of the temporary citadel, Martello Tower 2 and Cove Fields. These sites were occupied during various periods of time by people from many different backgrounds.

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8. The National Battlefields Commission Trust Fund

When the 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 Québec. 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. Revenues and expenses are included in the Statement of Operations and Departmental Net Financial Position of the Commission and are detailed as follows:

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Expenses		
Amortization of tangible capital assets	\$3,048	\$3,048
Professional services	22,515	860
Total expenses	<u>25,563</u>	<u>3,908</u>
Revenues		
Interest	43,771	11,618
Donations and other revenues	13,510	18,000
Total revenues	<u>57,281</u>	<u>29,618</u>
Adjustments for items not affecting authorities:		
Amortization of tangible capital assets	3,048	3,048
Excess of income over expenses	(34,766)	(28,758)
Balance – beginning of year	1,493,355	1,464,597
Balance – end of year, deposited with the Receiver General of Canada	<u>\$1,528,121</u>	<u>\$1,493,355</u>

The tangible capital assets were recorded at a cost of \$211,570 as at March 31, 2024 and 2023 and were amortized on a straight-line basis over estimated useful lives of 5 to 20 years. Their accumulated amortization was \$174,994 as at March 31, 2024 (\$171,946 as at March 31, 2023) with a net carrying amount of \$36,576 as at March 31, 2024 (\$39,624 as at March 31, 2023).

9. Information on expenses

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

Conservation includes the following services:

Operations and sustainable development, including horticulture and arboriculture, which maintain the site and assets (including its buildings and infrastructure), minimize the effects of wear and tear and deterioration and slow down or prevent damage;

Archives and collections that ensure the preservation of documents and objects related to the Commission's history;

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.

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Promotion of Heritage includes the following services:

Through the Plains of Abraham Museum, the museum affairs services, which welcomes visitors and users to the Park, disseminates information and provides educational, cultural and heritage interpretation activities for schools, tourists and the general public;

Marketing services, which develop customer experiences, seasonal programming offered to the general public, such as that offered at the Edwin-Bélanger Bandstand in summer, and which is responsible for the Commission's marketing and public communications (including social media).

Internal services, which include senior management (including institutional affairs and human resources), communications and financial services (including procurement, IT and parking services).

Detailed expenses

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Salaries and benefits	\$6,534,053	\$5,850,781
Payment in lieu of property taxes	2,696,784	2,832,398
Professional services	4,182,111	2,278,077
Amortization of tangible capital assets	1,093,208	2,251,981
Utilities, materials and supplies	1,385,176	828,473
Maintenance and repairs	4,322,501	692,161
Information	672,651	456,428
Transportation and communication	202,712	156,649
Rental	145,674	154,800
Machinery and equipment	608,013	133,910
Other taxes and payments	84,029	7,703
Total expenses	<u>\$21,923,912</u>	<u>\$15,643,361</u>

10. Employee future benefits

(a) Pension benefits

Employees of the Commission participate in the plan which is sponsored and administered by the government. Pension benefits are accumulated over a period of 35 years maximum at a rate of 2% multiplied by each pensionable year, multiplied by the average of the best five consecutive years of benefits. Pension benefits are integrated in the Canadian Pension Plan and Québec Pension Plan and are indexed based on inflation.

Both the employees and the Commission contribute to the cost of the Public Service Pension Plan (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 at 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 expense amounted to \$400,825 in 2024 (\$408,002 in 2023). For Group 1 members, the expense represented approximately 1.02 times (1.02 times in 2023) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023) the employee contributions. The Commission's responsibility with regard to the Plan

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is limited to its paid contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Workers' compensation benefits

For workers' compensation benefits, the Commission recognized an obligation totalling \$25,513 as at March 31, 2024 (\$31,182 as at March 31, 2023). To calculate this liability, the Commission used a discount rate based on the current yield curve structure of zero coupon Government of Canada bonds and assumes an age of 65 years for the final payments of the compensation. As at March 31, 2024, the Commission used a 2.00% future salary escalation rate and a discount rate of 3.54% as assumptions for the final payments of the compensation.

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Accrued benefit obligation - beginning of year	\$31,182	\$41,910
Expense for the year	2,834	(2,302)
Benefits paid during the year	(8,503)	(8,426)
Accrued benefit obligation - end of year	<u>\$25,513</u>	<u>\$31,182</u>

11. Contingent liability

Claims were made to the Commission in the normal course of business. Certain claims have fixed amounts. The Commission registered a provision for claims for which future payments are probable and a reasonable estimate of the losses can be made.

12. Environmental liability

The government's "Federal approach to contaminated sites" establishes a framework for managing contaminated sites using a risk-based approach. Under this approach, the government has made an inventory of identified contaminated sites located on federal lands to facilitate consistent classification, management and recording. This systematic approach helps to identify high-risk sites and allocate limited resources to the sites that pose the highest risk to human health and the environment.

The Commission identified one site (none in 2023) for which action is required and a liability of \$999,921 as at March 31, 2024 (nil in 2023) was recorded. The liability was estimated based on an assessment of the site by environmental experts and total estimated costs, discounted at a rate of 4.1% and assuming an inflation rate of 2.0%.

The following table presents the total estimated amounts of the liability by nature and source, the expected related recoveries and the total undiscounted future expenditures as of March 31, 2024.

Nature and source

	Total number of sites	Total number of sites with a liability	Estimated liability	Estimated total expenditures (undiscounted)	Total number of sites	Total number of sites with a liability	Estimated liability	Estimated total expenditures (undiscounted)
Offices/commercial or industrial sites (1)	1	1	\$999,921	\$1,041,176	-	-	\$-	\$-

(1) Contamination associated with the operation of office/commercial/industrial facilities where activities such as fuel transportation and storage, waste disposal and the use of metal-containing paints have resulted in prior or accidental contamination, e.g., metals, petroleum hydrocarbons, polycyclic aromatic hydrocarbons, etc. Sites often have more than one source of contamination.

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13. Revenues

The Commission has the following main types of revenues: regulatory fees and miscellaneous revenues. Regulatory fees are recognized when they are collected. Miscellaneous revenues include the rental and use of public property, the sale of goods and other fees and expenses. They are recognized when performance obligations are satisfied. The breakdown of revenues is as follows:

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Regulatory fees (exchange transactions)	\$2,695	\$3,880
Miscellaneous revenues		
Rental and use of public property (exchange transactions)	2,061,078	1,906,762
Non-regulatory services (exchange transactions)	357,612	298,335
Sale of goods (exchange transactions)	30,160	25,068
Other fees and expenses (exchange transactions)	166,424	161,295
Other fees and expenses (non-exchange transactions)	24,000	40,183
	<u>2,639,274</u>	<u>2,431,643</u>
Total revenues	<u>\$2,641,969</u>	<u>\$2,435,523</u>

Total non-recurring revenues of \$54,925 (\$56,509 in 2023) were earned from gains on asset disposals.

14. 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. These obligations include the grass and tree maintenance contracts, advertising campaigns for summer activities and equipment maintenance service contracts. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028 and thereafter</u>	<u>Total</u>
Total contractual obligations	<u>\$796,883</u>	<u>\$374,360</u>	<u>\$312,607</u>	<u>\$248,836</u>	<u>\$256,122</u>	<u>\$1,988,808</u>

15. 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.

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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 employer contributions 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:

	<u>2024</u>	<u>2023</u>
	(in dollars)	
Employer contributions to the health and dental insurance plans	<u>\$431,200</u>	<u>\$348,347</u>

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 pay issuance services provided by Public Services and Procurement Canada are not included in the Commission's Statement of Operations and Departmental Net Financial Position.

16. Non-monetary transactions

The Commission has granted exclusive and visibility rights to certain sponsors in exchange primarily for advertising. These non-monetary transactions with unrelated parties were recorded in both revenues and expenses. They were estimated to total \$24,000 in 2023-2024 (\$40,183 in 2022-2023), which represented the fair value of the assets and services received.