



Parks  
Canada

Parcs  
Canada

Canada



# Financial Statements

**Parks Canada Agency**  
**March 31, 2024**



## Table of Contents

<b>Statement of Management Responsibility Including Internal Control over Financial Reporting.....</b>	<b>3</b>
<b>Statement of Financial Position (Unaudited).....</b>	<b>4</b>
<b>Statement of Operations and Net Financial Position (Unaudited).....</b>	<b>5</b>
<b>Statement of Change in Net Debt (Unaudited).....</b>	<b>6</b>
<b>Statement of Cash Flow (Unaudited).....</b>	<b>7</b>
<b>Notes to the Financial Statements (Unaudited).....</b>	<b>8</b>
Authority and objectives.....	8
Summary of significant accounting policies.....	10
Parliamentary authorities.....	15
Accounts payable and accrued liabilities.....	16
Lease obligations for tangible capital assets.....	16
Environmental liabilities.....	17
Employee future benefits.....	19
Deferred revenue.....	19
Asset retirement obligations.....	20
Accounts receivable and advances.....	21
Inventory.....	21
Tangible capital Assets.....	22
Net financial position.....	25
Contractual obligations and contractual rights.....	26
Contingent liabilities and contingent assets.....	26
Related party transactions.....	27
Segmented information.....	28
Comparative information.....	30
Adjustments to prior year's results.....	30

## Parks Canada Agency

### 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 financial statements rests with the management of the Parks Canada Agency. These financial statements have been prepared by management using the Government of Canada'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 Parks Canada financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Parks Canada'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 Parks Canada; and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments. A risk-based assessment of the system of ICFR for the year ended March 31, 2024 was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the annex.

The effectiveness and adequacy of Parks Canada's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of Parks Canada's operations, and by the Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the President & Chief Executive Officer (PCEO) of Parks Canada.

The financial statements of Parks Canada have not been audited.



---

**Ron Hallman**  
President & Chief Executive Officer

Gatineau, Canada  
Date: September 9, 2024



---

**Andrew Francis**  
Vice-President, Finance & Chief Financial Officer

Gatineau, Canada  
Date: August 27, 2024

**Parks Canada Agency**  
**Statement of Financial Position (Unaudited)**  
**As at March 31**

(in thousands of dollars)	2024	2023 restated (Note 19)
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	243,404	181,122
Lease obligations for tangible capital assets (Note 5)	281	654
Environmental liabilities (Note 6)	154,834	156,638
Employee future benefits (Note 7)	7,537	7,282
Deferred revenue (Note 8)	56,144	53,071
Asset retirement obligations (Note 9)	79,239	72,870
<b>Total liabilities</b>	<b>541,439</b>	<b>471,637</b>
<b>Financial Assets</b>		
Due from the Consolidated Revenue Fund	258,537	198,371
Accounts receivable and advances (Note 10)	25,821	27,544
<b>Total gross financial assets</b>	<b>284,358</b>	<b>225,915</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (Note 10)	(7,096)	(12,052)
<b>Total financial assets held on behalf of Government</b>	<b>(7,096)</b>	<b>(12,052)</b>
<b>Total net financial assets</b>	<b>277,262</b>	<b>213,863</b>
<b>Net Debt</b>	<b>264,177</b>	<b>257,774</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	1,683	1,688
Inventory (Note 11)	15,255	14,166
Tangible capital assets (Note 12)	4,702,107	4,698,272
<b>Total non-financial assets</b>	<b>4,719,045</b>	<b>4,714,126</b>
<b>Net financial position (Note 13)</b>	<b>4,454,868</b>	<b>4,456,352</b>

Contractual obligations and contractual rights (Note 14)

Contingent liabilities and contingent assets (Note 15)

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



**Ron Hallman**  
President & Chief Executive Officer

Gatineau, Canada  
Date: September 9, 2024



**Andrew Francis**  
Vice-President, Finance & Chief Financial Officer

Gatineau, Canada  
Date: August 27, 2024

**Parks Canada Agency**  
**Statement of Operations and Net Financial Position (Unaudited)**  
**For the year ended March 31**

(in thousands of dollars)	2024 Planned Results	2024	2023 restated (Note 18) (Note 19)
<b>Expenses</b>			
<b>Parks Canada Programs</b>			
Heritage Places Establishment	47,438	58,623	63,132
Heritage Places Conservation	288,578	317,536	308,140
Heritage Places Promotion and Public Support	72,424	113,428	86,118
Visitor Experience	418,243	583,784	477,065
Heritage Canals, Highways and Townsites Management	203,266	206,100	171,545
Internal Services	139,087	199,835	167,479
<b>Total expenses</b>	<b>1,169,036</b>	<b>1,479,306</b>	<b>1,273,479</b>
<b>Revenues</b>			
<b>Recurring revenues</b>			
Entrance fees	71,726	101,626	91,419
Recreational fees	36,127	47,614	46,212
Rentals and concessions	34,070	37,944	33,239
Other operating revenues	15,200	17,137	16,261
Townsites revenues	4,241	4,458	4,490
Staff housing	3,758	4,822	4,566
Revenues earned on behalf of Government	(111)	(19)	(23)
<b>Total Recurring revenues</b>	<b>165,011</b>	<b>213,582</b>	<b>196,164</b>
<b>Non-Recurring revenues</b>			
Other operating revenues	232	262	349
<b>Total revenues</b>	<b>165,243</b>	<b>213,844</b>	<b>196,513</b>
<b>Net cost of operations before government funding and transfers</b>	<b>1,003,793</b>	<b>1,265,462</b>	<b>1,076,966</b>
<b>Government funding and transfers</b>			
Net cash provided by Government of Canada		1,133,644	890,494
Change in due from Consolidated Revenue Fund		60,166	33,577
Services provided without charge by other government departments (Note 16a)		72,038	60,819
Transfer of assets to other government departments		(1,870)	(44)
<b>Total Government funding and transfers</b>		<b>1,263,978</b>	<b>984,846</b>
<b>Net cost of operations after government funding and transfers</b>		<b>1,484</b>	<b>92,120</b>
<b>Net financial position - Beginning of year</b>		<b>4,456,352</b>	<b>4,548,472</b>
<b>Net financial position - End of year</b>		<b>4,454,868</b>	<b>4,456,352</b>

Segmented information (Note 17)

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

**Parks Canada Agency  
Statement of Change in Net Debt (Unaudited)  
For the year ended March 31**

(in thousands of dollars)	<b>2024</b>	2023 restated (Note 19)
<b>Net cost of operations after government funding and transfers</b>	<b>1,484</b>	92,120
<b>Change due to tangible capital assets</b>		
Acquisitions and betterments of tangible capital assets	<b>298,030</b>	211,233
Amortization of tangible capital assets	<b>(275,619)</b>	(232,523)
Adjustments of tangible capital assets	<b>8,920</b>	1,966
Proceeds from disposal of tangible capital assets	<b>(464)</b>	(505)
Net loss on disposal of tangible capital assets	<b>(25,053)</b>	(18,221)
Transfer (to)/from other government departments	<b>(1,979)</b>	6
<b>Total change due to tangible capital assets</b>	<b>3,835</b>	(37,539)
<b>Change due to inventory</b>	<b>1,089</b>	1,930
<b>Change due to prepaid expenses</b>	<b>(5)</b>	388
<b>Net increase in net debt</b>	<b>6,403</b>	56,899
<b>Net debt - Beginning of year</b>	<b>257,774</b>	200,875
<b>Net debt - End of year</b>	<b>264,177</b>	257,774

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

**Parks Canada Agency  
Statement of Cash Flow (Unaudited)  
For the year ended March 31**

(in thousands of dollars)	2024	2023 restated (Note 19)
<b>Operating Activities</b>		
<b>Net cost of operations before government funding and transfers</b>	<b>1,265,462</b>	1,076,966
<b>Non-cash items:</b>		
Amortization of tangible capital assets	(275,619)	(232,523)
Adjustments of tangible capital assets	8,920	1,966
Net loss on disposal of tangible capital assets	(25,053)	(18,221)
Services provided without charge by other government departments (Note 16a)	(72,038)	(60,819)
<b>Variations in Statement of Financial Position:</b>		
Increase in accounts receivable and advances	3,233	2,853
(Decrease) Increase in prepaid expenses	(5)	388
Increase in inventory	1,089	1,930
Increase in accounts payable and accrued liabilities	(62,282)	(32,588)
Decrease (Increase) in environmental liabilities	1,804	(58,210)
Increase in deferred revenue	(3,073)	(4,329)
(Increase) Decrease in employee future benefits	(255)	1,027
(Increase) Decrease in asset retirement obligations	(6,369)	925
Transfer of other assets between government departments	(109)	50
<b>Cash used in operating activities</b>	<b>835,705</b>	679,415
<b>Capital investing activities</b>		
Acquisitions and betterments of tangible capital assets	298,030	211,233
Proceeds from disposal of tangible capital assets	(464)	(505)
<b>Cash used in capital investing activities</b>	<b>297,566</b>	210,728
<b>Financing activities</b>		
Payments on lease obligations for tangible capital assets	373	351
<b>Cash used in financing activities</b>	<b>373</b>	351
<b>Net cash provided by Government of Canada</b>	<b>1,133,644</b>	890,494

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

**Parks Canada Agency**  
**Notes to the Financial Statements (Unaudited)**  
**For the year ended March 31, 2024**

---

**1. Authority and objectives**

In December 1998, the Parks Canada Agency was established under the *Parks Canada Agency Act* as a departmental corporation and acts as an agent of Her Majesty in Right of Canada. Parks Canada is a separate entity listed under Schedule II of the *Financial Administration Act* and reports to the Minister of Environment and Climate Change.

Parks Canada's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations. In carrying out its mandate, Parks Canada delivers the programs set out in Parks Canada's legislation and authorities.

The authorities for the programs for which Parks Canada is responsible are mainly derived from the *Parks Canada Agency Act*, the *Canada National Parks Act*, the *Rouge National Urban Park Act*, the *Historic Sites and Monuments Act*, the *Canada National Marine Conservation Areas Act*, the *Saguenay-St. Lawrence Marine Park Act*, the *Historic Canal Regulations pursuant to the Department of Transport Act*, the *Heritage Railway Stations Protection Act*, the *Heritage Lighthouse Protection Act*, and the *Species at Risk Act*.

The programs include:

**Heritage Places Establishment:** This program aims to establish heritage places in order to conserve Canada's natural and cultural heritage for the benefit and enjoyment of present and future generations. This process results in national parks, national marine conservation areas, national historic sites, persons and events, and other designated heritage places, including world heritage sites. Establishment or designation is achieved through feasibility assessments, public nominations, research, consultation and engagement with Indigenous Peoples, stakeholders and the general public, negotiations with other governments and Indigenous organizations, and recommendations from advisory bodies, where required. The Program also supports the Government of Canada's outcome of "A vibrant Canadian culture and heritage" and Canada's international biodiversity goals (Canada Target 1).

**Heritage Places Conservation:** This program aims to protect and conserve the natural and cultural resources of heritage places managed by Parks Canada, including some World Heritage Sites in Canada, for the benefit and enjoyment of present and future generations. This program also provides financial and professional support and advice to heritage places not administered by Parks Canada, and supports Canada's international conservation obligations. Conservation of natural and cultural resources includes various knowledge-based approaches, applied science, monitoring and reporting, active management, ecological restoration, species recovery, environmental assessment, fire management, commemorative integrity assessments and statements for national historic sites and compliance activities. The Program supports the Government of Canada's outcome of "A clean and healthy environment".



## 1. Authority and objectives (continued)

**Heritage Places Promotion and Public Support:** This program aims to strengthen awareness and appreciation of Canada's national parks, national historic sites, and national marine conservation areas, and to introduce key audiences, such as youth, new Canadians, low- and middle-income Canadians, and urban Canadians to these places. Promotional activities strengthen awareness of heritage places managed by Parks Canada as well as key visitor experience offers and programs. Promotional activities include advertising, social media promotion, marketing, proactive media, and collaborative efforts with national, regional, and local partners and the tourism trade. Outreach activities introduce Canadians to these places through direct connections, interactive experiences, and learning. Outreach activities include digital products such as online video, television, websites, and social media and also include interactive activities such as activation events and participation in learning and tourism events, community gatherings, festivals, and presence at institutions such as museums and aquariums. Collaborative arrangements and partnerships play an important role in promotions and outreach. This program supports the Government of Canada's outcome of "A vibrant Canadian culture and heritage".

**Visitor Experience:** This program provides visitors to national parks, national historic sites, and national marine conservation areas with opportunities to enjoy and appreciate these places in safe and meaningful ways. The program includes a range of activities, such as trip planning, reception, camping, accommodations, visitor safety, visitor services, interpretive activities, merchandise, compliance, and support for visitor facilities. This program supports the Government of Canada's outcome of "A vibrant Canadian culture and heritage".

**Heritage Canals, Highways and Townsites Management:** This program involves the management of infrastructure for Canadians and provides opportunities for socio-economic benefits to adjacent communities. This program includes: the operation, maintenance and improvement of the Trans-Canada and provincially numbered highways within national parks and national historic sites; water management activities and the management of bridge and dam infrastructure at heritage canals; and the provision of municipal services to certain national park townsites, and the management of related infrastructure. This program supports the Government of Canada's outcome of "A safe and secure Canada".

**Internal Services:** Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of internal services:

- i. management and oversight services
- ii. communications services
- iii. legal services
- iv. human resources management services
- v. financial management services
- vi. information management services
- vii. information technology services
- viii. real property management services
- ix. material management services
- x. acquisition management services

## **2. Summary of significant accounting policies**

These financial statements are prepared using the Government of Canada'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**

Parks Canada is financed mainly by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to Parks Canada 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 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 Net Financial Position are the amounts reported in the Future-Oriented Statement of Operations included in the 2023-24 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Net Financial Position and in the Statement of Change in Net Debt because these amounts were not included in the 2023-24 Departmental Plan.

### **(b) Net cash provided by Government**

Parks Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by Parks Canada is deposited to the CRF, and all cash disbursements made by Parks Canada 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 or to the CRF**

Amounts due from or to 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 Parks Canada is entitled to draw from the CRF without further authorities to discharge its liabilities.

## **2. Summary of significant accounting policies (continued)**

### **(d) Revenues**

Entrance fees, recreational fees, rental and concessions, townsites, staff housing and other operating revenues are recognized based on the goods or services provided in the year by Parks Canada.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenues are then recognized in the period in which the related expenses are incurred.

Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Other revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable are not available to discharge the Parks Canada's liabilities. While the PCEO is expected to maintain accounting control, he has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of Parks Canada's gross revenues.

### **(e) Expenses**

i. Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

ii. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

iii. Services provided without charge by other government departments for accommodation, employer's contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

### **(f) Employee future benefits**

i. Pension Benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. Parks Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Parks Canada'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: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

### **(g) Accounts receivable**

Accounts receivable are initially recorded at cost. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

## **2. Summary of significant accounting policies (continued)**

### **(h) Inventory**

Inventories are valued at cost and are comprised of consumable supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

### **(i) Tangible capital assets**

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 12. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art and museum collection to which no acquisition cost is attributable; and intangible assets. Acquired lands are recorded at historical cost. Crown lands acquired as a result of Confederation or the subsequent joining of a province or territory are recorded at a nominal value. Donated lands are recorded at their estimated market value at time of acquisition.

### **(j) Contingent liabilities**

Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fails to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### **(k) Contingent assets**

Contingent assets are possible assets which may become actual assets when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

## 2. Summary of Significant Accounting Policies (continued)

### (I) Environmental liabilities and asset retirement obligations

#### i. Environmental liability

An environmental liability for the remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, Parks Canada is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects Parks Canada's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination. When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the Government's cost of borrowing, associated with the estimated number of years to complete remediation.

The recorded liabilities are adjusted each year, for present value adjustments, inflation, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of Parks Canada's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements.

#### ii. Asset retirement obligations

This standard requires public sector entities to recognize legally obligated costs associated with the retirement of tangible capital assets on acquisition, construction or development and expense those costs systematically over the life of the asset.

These amounts were measured using information, assumptions and discount rates that are current at the beginning of the fiscal year. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied. An asset retirement obligation is recognized when all of the following criteria are satisfied:

- a.** there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b.** the past event or transaction giving rise to the retirement liability has occurred;
- c.** it is expected that the government will give up future economic benefits; and
- d.** a reasonable estimate of the amount can be made.

The costs to retire an asset are normally capitalized and amortized over the asset's estimated remaining useful life. The measurement of the liability is Parks Canada's best estimate of the amount required to retire a tangible capital asset.

An asset retirement obligation may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

If the likelihood of Parks Canada's responsibility is not determinable, a contingent liability is disclosed in the notes to the financial statements. If measurement uncertainty exists, it is also disclosed in the notes to the financial statements.

## **2. Summary of significant accounting policies (continued)**

### **(m) Transactions involving foreign currencies**

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions.

### **(n) Measurement uncertainty**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, environmental liabilities, asset retirement obligations, 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.

Environmental liabilities are subject to measurement uncertainty as discussed in Note 6 due to the evolving technologies used in the estimation of the costs for remediation of contaminated sites, the use of discounted present value of future estimated costs, and the fact that not all sites have had a complete assessment of the extent and nature of remediation. Changes to underlying assumptions, the timing of the expenditures, the technology employed, or the revisions to environmental standards or changes in regulatory requirements could result in significant changes to the environmental liabilities recorded.

Asset retirement obligations are subject to measurement uncertainty as discussed in Note 9 due to the evolving technologies used in remediation activities of asset retirements, the use of discounted present value of future estimated costs, inflation, interest rates and the fact that not all sites have had a complete assessment of the extent and nature of asset retirement costs. Changes to underlying assumptions, the timing of the expenditures, the technology employed, the revisions to changes in regulatory requirements could result in significant changes to the liabilities recorded.

### **o) Related party transactions**

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i.** Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii.** Certain services received on a without charge basis are recorded for Parks Canada financial statement purposes at the carrying amount.

### 3. Parliamentary authorities

Parks Canada receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and 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, Parks Canada 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

(in thousands of dollars)	2024	2023 (Note 18)
Net Cost of Operations before government funding and transfers	1,265,462	1,076,966
Total revenues as per Statement of Operations	213,844	196,513
less: Proceeds deposited to the New Parks and Historic Sites	-	(2)
Revenues received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	213,844	196,511
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Amortization of tangible capital assets	(275,619)	(232,523)
Services provided without charge by other government departments	(72,038)	(60,819)
Adjustments of tangible capital assets	8,920	1,966
Net loss on disposal of tangible capital assets	(25,053)	(18,221)
(Decrease) in vacation pay and compensatory leave	(1,353)	(280)
(Increase) Decrease in employee future benefits	(255)	1,027
(Increase) Decrease in asset retirement obligations	(6,370)	925
Decrease (Increase) in environmental liabilities	1,804	(58,210)
Bad debt expense	(4,084)	(2,994)
Provision for contingent liabilities	(3,598)	(146)
Refunds of previous year's expenditures	2,106	3,567
Increase in New Parks and Historic Sites Account	53,929	28,542
Other	(4,945)	6,090
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(326,556)</b>	<b>(331,076)</b>
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisitions and betterments of tangible capital assets	298,030	211,233
Salary overpayments	776	811
Proceeds from disposal of tangible capital assets	(464)	(505)
Decrease in lease obligation for tangible capital assets	373	351
Increase in inventory	1,089	1,930
(Decrease) increase in prepaid expenses	(5)	388
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>299,799</b>	<b>214,208</b>
<b>Current year authorities used</b>	<b>1,452,549</b>	<b>1,156,609</b>

### 3. Parliamentary authorities (continued)

#### (b) Authorities provided and used

(in thousands of dollars)	2024	2023
<b>Authorities provided:</b>		
Vote 1 – Operating, grants and contributions	811,102	693,133
Vote 5 – Capital	380,517	255,041
Vote 10 – New Parks and Historic Sites Account	81,305	55,336
<b>Statutory amounts:</b>		
Expenditures equivalent to revenue received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	315,523	305,210
Contributions to employee benefit plans	85,494	69,316
<b>Total authorities</b>	<b>1,673,941</b>	<b>1,378,036</b>
Less:		
Authorities available for future years	(68,398)	(94,757)
Lapsed authorities	(152,994)	(126,670)
<b>Current year authorities used</b>	<b>1,452,549</b>	<b>1,156,609</b>

### 4. Accounts payable and accrued liabilities

The following table presents details of Parks Canada's accounts payable and accrued liabilities:

(in thousands of dollars)	2024	2023
Accounts payable - Other government departments and agencies	37,626	25,385
Accounts payable - External parties	159,394	122,133
<b>Total accounts payable</b>	<b>197,020</b>	<b>147,518</b>
Accrued liabilities	46,384	33,604
<b>Total accounts payable and accrued liabilities</b>	<b>243,404</b>	<b>181,122</b>

### 5. Lease obligations for tangible capital assets

Parks Canada has entered into agreements to lease commercial and office space under capital leases with a cost of \$20,597,509 and accumulated amortization of \$10,138,977 as at March 31, 2024 (\$20,224,707 and \$10,505,150 respectively as at March 31, 2023). Parks Canada has one capital lease with an outstanding obligation, the remaining capital leases were paid in advance and do not have an obligation. The obligation related to the upcoming years include the following:

(in thousands of dollars)	2024	2023
2024	-	403
2025	287	287
2026 and subsequent	-	-
<b>Total future minimum lease payment</b>	<b>287</b>	<b>690</b>
Less: imputed interest (6.3%)	(6)	(36)
<b>Balance of obligations under leased tangible capital assets</b>	<b>281</b>	<b>654</b>



## 6. Environmental liabilities

The Government's "Federal Approach to Contaminated Sites" sets out a framework for management of contaminated sites using a risk-based approach. Under this approach the Government has inventoried the contaminated sites identified on federal lands, allowing them to be classified, managed and recorded in a consistent manner. This systematic approach aids in the identification of the high risk sites in order to allocate limited resources to those sites, which pose the highest risk to human health and the environment.

Parks Canada has identified 218 sites (219 sites in 2023) where contamination may exist and assessment, remediation and monitoring may be required. Of these, Parks Canada has identified 102 sites (101 sites in 2023) where action is required and for which a gross liability of \$139,981,892 (\$140,749,114 in 2023) has been recorded. This liability estimate has been determined based on site assessments performed by environmental experts.

In addition, a statistical model based upon a projection of the number of sites that will proceed to remediation and upon which current and historical costs are applied is used to estimate the liability for a group of sites with no liability. As a result, there are 52 unclassified sites (53 sites in 2023) where a liability estimate of \$12,307,989 (\$12,599,094 in 2023) has been recorded using this model. Furthermore, there are 2 classified sites with no liability estimates (3 sites in 2023) where estimates have been calculated based on professional judgment and comparison with similar sites giving a total liability of \$2,543,716 (\$3,289,745 in 2023).

These three estimates combined, totaling \$154,833,596 (\$156,637,953 in 2023) represents management's best estimate of the costs required to remediate sites to the current minimum standard for its use prior to contamination, based on information available at the financial statement date.

For the remaining 62 sites (62 in 2023), no liability for remediation has been recognized. Some of these sites are at various stages of testing and evaluation and if remediation is required, liabilities will be reported as soon as a reasonable estimate can be determined. For other sites, Parks Canada does not expect to give up any future economic benefits (there is likely no significant environmental impact or human health threats). These sites will be re-examined and a liability for remediation will be recognized if future economic benefits will be given up.

The following table presents the total estimated amounts of these liabilities by nature and source, the associated expected recoveries and the total undiscounted future expenditures as at March 31, 2024 and March 31, 2023. When the liability estimate is based on a future cash requirement, the amount is adjusted for inflation using a forecast CPI rate of 2.0% (2.0% in 2023). Inflation is included in the undiscounted amount. The Government of Canada's cost of borrowing by reference to the actual zero-coupon yield curve for Government of Canada bonds has been used to discount the estimated future expenditures. The March 2024 rates range from 4.03% (3.64% in 2023) for 2 year term to 3.41% (2.92% in 2023) for a 30 or greater year term.

## 6. Environmental liabilities (continued)

Nature and source	2024					2023				
	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries
Former mineral exploration sites <sup>(1)</sup>	6	5	5,789	6,453	-	6	5	5,793	6,383	-
Military & former military sites <sup>(2)</sup>	3	2	288	322	-	3	2	286	315	-
Fuel related practices <sup>(3)</sup>	47	28	30,941	34,486	200	48	28	31,663	34,882	200
Landfill/waste sites <sup>(4)</sup>	43	32	40,896	45,582	-	43	33	41,539	45,762	-
Engineered asset/air & land transportation <sup>(5)</sup>	6	3	618	689	-	6	3	615	677	-
Marine facilities/aquatic sites <sup>(6)</sup>	5	5	50,368	56,139	-	5	5	50,678	55,830	-
Office/commercial/ industrial operations <sup>(7)</sup>	89	70	21,565	24,035	-	89	70	21,556	23,747	-
Other <sup>(8)</sup>	19	11	4,369	4,869	-	19	11	4,508	4,966	-
<b>Totals</b>	<b>218</b>	<b>156</b>	<b>154,834</b>	<b>172,575</b>	<b>200</b>	<b>219</b>	<b>157</b>	<b>156,638</b>	<b>172,562</b>	<b>200</b>

Also, during the year, 1 site (1 site in 2023) was closed as it was either remediated or assessed to confirm that it no longer meet all the criteria required to record a liability for contaminated site.

<sup>(1)</sup> Contamination associated with former mine activities, e.g., heavy metals, petroleum hydrocarbons, etc. Sites often have multiple sources of contamination.

<sup>(2)</sup> Contamination associated with the operations of military and former military sites where activities such as fuel handling and storage activities, waste sites, metals/PCB-based paint used on buildings resulted in former or accidental contamination, e.g., petroleum hydrocarbons, polychlorinated biphenyls (PCBs), heavy metals. Sites often have multiple sources of contamination.

<sup>(3)</sup> Contamination primarily associated with fuel storage and handling, e.g., accidental spills related to fuel storage tanks or former fuel handling practices, e.g., petroleum hydrocarbons, polyaromatic hydrocarbons and BTEX (benzene, toluene, ethylbenzene and xylenes).

<sup>(4)</sup> Contamination associated with former landfill/waste site or leaching from materials deposited in the landfill/waste site, e.g., metals, petroleum hydrocarbons, BTEX, other organic contaminants, etc.

<sup>(5)</sup> Contamination associated with the operations of engineered assets such as airports, railways and roads where activities such as fuel storage/handling, waste sites, firefighting training facilities and chemical storage areas resulted in former or accidental contamination, e.g., metals, petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX and other organic contaminants. Sites often have multiple sources of contamination.

<sup>(6)</sup> Contamination associated with the operations of marine assets, e.g., port facilities, harbours, navigation systems, light stations, hydrometric stations, where activities such as fuel storage/handling, use of metal based paint (e.g., on light stations) resulted in former or accidental contamination, e.g., metals, petroleum hydrocarbons, polyaromatic hydrocarbons and other organic contaminants. Sites often have multiple sources of contamination.

<sup>(7)</sup> Contamination associated with the operations of the office/commercial/industrial facilities where activities such as fuel storage/handling, waste sites and use of metal-based paint resulted in former or accidental contamination, e.g., metals, petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX, etc. Sites often have multiple sources of contamination.

<sup>(8)</sup> Contamination from other sources, e.g., use of pesticides, herbicides, fertilizers at agricultural sites, use of PCBs, firefighting training areas, firing ranges and training facilities, etc.

## 7. Employee future benefits

### (a) Pension benefits

Parks Canada'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 Parks Canada 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 related 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 2023-24 expense amounts to \$50,620,773 (\$45,283,793 in 2023). For Group 1 members, the expense represents 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.

Parks Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

### (b) Severance benefits

Severance benefits provided to Parks Canada's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2018, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

(in thousands of dollars)	2024	2023
Opening balance	7,282	8,309
Expense (adjustment) for the year	1,702	(224)
Benefits paid during the year	(1,447)	(803)
<b>Closing balance</b>	<b>7,537</b>	<b>7,282</b>

## 8. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received from external parties for fees prior to services being performed. Revenue is recognized in the period in which the service is performed. Details of the transactions related to this account are as follows:

(in thousands of dollars)	2024	2023
Opening balance	53,071	48,742
Amounts received	45,842	47,354
Revenue recognized	(42,769)	(43,025)
<b>Closing balance</b>	<b>56,144</b>	<b>53,071</b>

## 9. Asset retirement obligations

When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable, and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the government's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

The recorded liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, and changes in management estimates and actual costs incurred.

If the likelihood of Parks Canada's responsibility is not determinable, a contingent liability is disclosed in the notes to the financial statements.

Parks Canada has recorded asset retirement obligations for the removal of asbestos and other hazardous materials in buildings and other asset retirement obligations.

The changes in the asset retirement obligations during the year are as follows:

	2024					2023	
	Asbestos and other hazardous materials	Closure and post-closure obligations associated with landfills	Closure and post-closure obligations associated with works and infrastructure	Retirement activities linked to ships, boats, and other vehicles	Underground storage tanks	Total	Restated (Note 19)
(in thousands of dollars)							
Opening balance	39,410	9,998	2	23,391	69	<b>72,870</b>	73,795
Liabilities incurred	44	6,248	-	935	-	<b>7,227</b>	-
Revisions in estimates	(681)	(296)	(2)	(131)	(13)	<b>(1,123)</b>	(1,149)
Accretion Expense <sup>(1)</sup>	84	57	-	123	1	<b>265</b>	224
<b>Closing balance</b>	<b>38,857</b>	<b>16,007</b>	-	<b>24,318</b>	<b>57</b>	<b>79,239</b>	<b>72,870</b>

<sup>(1)</sup> Accretion expense is the increase in the carrying amount of an asset retirement obligation due to the passage of time.

Parks Canada's ongoing efforts to assess asset retirement obligations may result in additional liabilities. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

## 9. Asset retirement obligations (continued)

The undiscounted future expenditures, adjusted for inflation, for the planned projects comprising the liability are \$82.9 million (\$81.4 million at March 31, 2023). There are no estimated recoveries related to asset retirement obligations.

Key assumptions used in determining the provision are as follows:

	2024	2023 Restated (Note 19)
Discount rate	2.85 - 3.05%	2.35 - 2.46%
Discount period and timing settlement	0 to 38 years	1 to 39 years
Long-term rate of inflation	2.00%	2.00%

## 10. Accounts receivable and advances

The following table presents details of Parks Canada's accounts receivable and advances balances:

(in thousands of dollars)	2024	2023
Receivables - Other government departments and agencies	6,305	6,050
Receivables - External parties	21,733	21,929
Employee advances	3,171	3,495
	31,209	31,474
Allowance for doubtful accounts on receivables from external parties	(5,388)	(3,930)
<b>Gross accounts receivable</b>	<b>25,821</b>	<b>27,544</b>
Accounts receivable held on behalf of Government	(7,096)	(12,052)
<b>Total accounts receivable and advances</b>	<b>18,725</b>	<b>15,492</b>

## 11. Inventory

(in thousands of dollars)	2024	2023
Opening balance	14,166	12,236
Purchases	78,326	68,533
Consumed inventory	(77,237)	(66,603)
<b>Closing balance</b>	<b>15,255</b>	<b>14,166</b>

## 12. Tangible capital assets

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

<b>Asset Class</b>	<b>Amortization Period</b>
Buildings	25-50 years
Fortifications	50-100 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Leased tangible capital assets	Term of lease or economic life of the property if the lease contains a bargain purchase option
Landscaping and improvement	10-40 years
Roads	40 years
Bridges	25-50 years
Canals and marine facilities	25-80 years
Utilities	20-40 years
Vehicles	7-15 years
Ships and boats	10 years
Equipment	3-10 years
Exhibits	5-10 years

Assets under construction are recorded in the applicable asset class in the year they are put into service and are not amortized until they are put into service.

### Collections and archaeological sites

Core to Parks Canada's mandate to protect and present nationally significant examples of our cultural heritage is the management of collections and archaeological sites. Although not capitalized like other cultural assets such as buildings or fortifications, these treasures have inestimable cultural value.

#### (a) Collections

Parks Canada manages collections that are made up of archaeological and historical objects.

The collection of archaeological objects includes specimens and records that represent a cross-section of human habitation and activities. These holdings consist of a range of functional groups of artifacts that represent domestic activities to industrial processes and includes tools, ships' fittings, as well as soil and botanical samples.

The collection of historic objects dates from the 10th century to the present day. They encompass ethnographic material, civilian, military and fur trade items, furniture and furnishings, tools and documents.

In addition, Parks Canada manages a collection of reproductions including period costumes, tools and furniture that have been copied from original objects or made based on historical data.

#### (b) Archaeological sites

An archaeological site encompasses surface, subsurface, or submerged remains of human activity. Archaeologists define a site by identifying the different activities that were conducted within an area. There are many archaeological sites identified within Parks Canada's national historic sites, national parks and marine conservation areas. The types of sites vary greatly, from Indigenous villages, hunting camps, observation areas, and animal processing areas, to European fur trade and military posts, battlefields, shipwrecks, homesteads, and transportation and industrial sites.

## 12. Tangible capital assets (continued)

### Cost

(in thousands of dollars)	Opening balance restated (Note 19)	Acquisitions	Adjustments <sup>(1)</sup>	Disposals and write-offs	Closing balance
<b><u>Tangible capital assets</u></b>					
Land	287,843	1,963	(1,782)	(45)	<b>287,979</b>
Buildings, fortifications and leasehold improvements	1,414,969	7,117	63,851	(10,686)	<b>1,475,251</b>
Landscaping and improvement	831,892	6,754	59,673	(931)	<b>897,388</b>
Roads	2,134,352	45,665	35,681	(208)	<b>2,215,490</b>
Bridges	821,248	13,979	22,514	(2,897)	<b>854,844</b>
Canals and marine facilities	1,550,960	10,815	52,344	(3,421)	<b>1,610,698</b>
Utilities	449,102	2,723	11,218	(1,307)	<b>461,736</b>
Vehicles	131,617	15,832	2,542	(3,725)	<b>146,266</b>
Ships and boats	30,544	282	154	(77)	<b>30,903</b>
Equipment	90,483	1,363	1,771	(1,452)	<b>92,165</b>
Exhibits	102,983	4	2,150	(438)	<b>104,699</b>
	<b>7,845,993</b>	<b>106,497</b>	<b>250,116</b>	<b>(25,187)</b>	<b>8,177,419</b>
<b><u>Assets under construction</u></b>					
Buildings, fortifications and leasehold improvements	255,038	82,586	(50,156)	(2,632)	<b>284,836</b>
Landscaping and improvement	89,937	20,736	(62,937)	(1,678)	<b>46,058</b>
Roads	39,345	15,587	(31,780)	(3,246)	<b>19,906</b>
Bridges	31,719	10,264	(18,954)	(848)	<b>22,181</b>
Canals and marine facilities	84,119	40,924	(48,855)	(4,317)	<b>71,871</b>
Utilities	20,147	8,276	(12,688)	(949)	<b>14,786</b>
Vehicles	1,482	4,760	(1,234)	(81)	<b>4,927</b>
Equipment	7,387	5,865	(2,957)	(328)	<b>9,967</b>
Exhibits	4,764	2,535	(1,523)	(192)	<b>5,584</b>
	<b>533,938</b>	<b>191,533</b>	<b>(231,084)</b>	<b>(14,271)</b>	<b>480,116</b>
<b><u>Leased tangible capital assets</u></b>					
Buildings, fortifications and leasehold improvements	20,225	-	3,878	(3,505)	<b>20,598</b>
<b>Total</b>	<b>8,400,156</b>	<b>298,030</b>	<b>22,910</b>	<b>(42,963)</b>	<b>8,678,133</b>

<sup>(1)</sup> Adjustments include assets under construction of \$238,494,825 that were transferred to the other categories upon completion of the assets.

During 2023-2024, Parks Canada transferred land with a net book value of \$1,978,950 to Transport Canada. This transfer is included in the adjustments columns.

## 12. Tangible capital assets (continued)

Accumulated amortization	Opening balance restated (Note 19)	Amortization	Adjustments	Disposals and write-offs	Closing balance	Net book value	
						2024	2023
(in thousands of dollars)							
<b><u>Tangible capital assets</u></b>							
Land	-	-	-	-	-	<b>287,979</b>	287,843
Buildings, fortifications and leasehold improvements	755,729	(38,321)	(3,886)	2,227	<b>795,709</b>	<b>679,542</b>	659,240
Landscaping and improvement	612,015	(22,885)	(2,049)	736	<b>636,213</b>	<b>261,175</b>	219,877
Roads	1,185,119	(111,181)	(6,423)	208	<b>1,302,515</b>	<b>912,975</b>	949,233
Bridges	233,902	(26,386)	(179)	2,292	<b>258,175</b>	<b>596,669</b>	587,346
Canals and marine facilities	459,894	(41,642)	(18)	3,144	<b>498,410</b>	<b>1,112,288</b>	1,091,066
Utilities	183,259	(15,116)	(1,692)	580	<b>199,487</b>	<b>262,249</b>	265,843
Vehicles	88,434	(8,507)	(98)	3,665	<b>93,374</b>	<b>52,892</b>	43,183
Ships and boats	21,927	(1,498)	(16)	77	<b>23,364</b>	<b>7,539</b>	8,617
Equipment	60,819	(6,786)	117	1,306	<b>66,182</b>	<b>25,983</b>	29,664
Exhibits	90,281	(2,606)	(9)	438	<b>92,458</b>	<b>12,241</b>	12,702
	<b>3,691,379</b>	<b>(274,928)</b>	<b>(14,253)</b>	<b>14,673</b>	<b>3,965,887</b>	<b>4,211,532</b>	<b>4,154,614</b>
<b><u>Assets under construction</u></b>							
Buildings, fortifications and leasehold improvements						<b>284,836</b>	255,038
Landscaping and improvement						<b>46,058</b>	89,937
Roads						<b>19,906</b>	39,345
Bridges						<b>22,181</b>	31,719
Canals and marine facilities						<b>71,871</b>	84,119
Utilities						<b>14,786</b>	20,147
Vehicles						<b>4,927</b>	1,482
Equipment						<b>9,967</b>	7,387
Exhibits						<b>5,584</b>	4,764
						<b>480,116</b>	<b>533,938</b>
<b><u>Leased tangible capital assets</u></b>							
Buildings, fortifications and leasehold improvements	10,505	(691)	(1,716)	2,773	<b>10,139</b>	<b>10,459</b>	9,720
<b>Total</b>	<b>3,701,884</b>	<b>(275,619)</b>	<b>(15,969)</b>	<b>17,446</b>	<b>3,976,026</b>	<b>4,702,107</b>	<b>4,698,272</b>



### 13. Net financial position

A portion of Parks Canada's net financial position is used for a specific purpose. Related revenues and expenses are included in the Statement of Operations and Net Financial Position.

The New Parks and Historic Sites Account was established pursuant to the *Parks Canada Agency Act*. Funds are provided to the New Parks and Historic Sites Account by voted authorities, proceeds from the sale of lands and buildings that are surplus to operational requirements and all general donations. Furthermore, the Minister of Finance may, on the request of the Minister of the Environment, authorize the making of advances of up to \$10 million to the New Parks and Historic Sites Account. All amounts received remain in this account until eligible expenditures are made for the purpose of establishing or developing new parks, historic sites and heritage areas, in compliance with the terms and conditions set out in the *Parks Canada Agency Act* and related Treasury Board directives. The balance of the account is to be used to protect the funding required and honor Parks Canada's commitment for the establishment, enlargement or designation of national parks, national historic sites, national marine conservation areas or other protected heritage areas.

The late The Right Hon W L Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. This amount was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

The following table presents details of Parks Canada's net financial position:

(in thousands of dollars)	2024	2023
<b>Restricted</b>		
<b>New Parks and Historic Sites Account</b>		
Available at beginning of year	157,324	128,782
<b>Receipts:</b>		
Parliamentary authorities	81,305	55,336
Proceeds on disposal of tangible capital assets	23	-
Donations	-	2
	<b>81,328</b>	55,338
Expenditures	<b>(27,399)</b>	<b>(26,796)</b>
<b>New Parks and Historic Sites Account - Available at end of year</b>	<b>211,253</b>	157,324
<b>Mackenzie King Trust Account</b>	<b>225</b>	225
<b>Restricted - Available at end of year</b>	<b>211,478</b>	157,549
<b>Unrestricted</b>	<b>4,243,390</b>	4,298,803
<b>Net financial position at end of year</b>	<b>4,454,868</b>	4,456,352

## 14. Contractual obligations and contractual rights

### (a) Contractual obligations

The nature of Parks Canada's activities may result in some large multi-year contracts and obligations whereby Parks Canada will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2025	2026	2027	2028	2029 and subsequent	Total
Operating leases	845	493	493	493	2,514	<b>4,838</b>
Purchases and transfer payments	179,205	86,037	21,698	403	1,108	<b>288,451</b>
Total	180,050	86,530	22,191	896	3,622	<b>293,289</b>

### (b) Contractual rights

The activities of Parks Canada sometimes involve the negotiation of contracts or agreements with outside parties that results in Parks Canada having rights to both assets and revenues in the future. Major contractual rights that will generate revenues in future years and that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2025	2026	2027	2028	2029 and subsequent	Total
Leases of property	17,724	16,879	16,380	16,228	327,123	<b>394,334</b>
Other <sup>(1)</sup>	4,768	4,594	4,206	4,041	11,111	<b>28,720</b>
Total	22,492	21,473	20,586	20,269	338,234	<b>423,054</b>

<sup>(1)</sup> Includes municipal incorporation agreements and residential licences that do not have an end date, therefore amounts for 2029 and subsequent cannot be determined.

## 15. Contingent liabilities and contingent assets

### (a) Contingent liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. Parks Canada's contingent liabilities consist of claims which include items with pleading amounts and others for which no amount is specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. Parks Canada has recorded an allowance of \$3,598,439 for claims and litigations where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. Claims and litigations for which the outcome is not determinable and a reasonable estimate can be made by management amount to approximately \$19,064,999 at March 31, 2024 (\$9,644,522 in 2023). Two claims are assessed as likely and the amounts cannot be reasonably estimated. Due to the sensitivity of the claims, we cannot disclose additional information.

### (b) Contingent assets

Contingent assets arise in the normal course of operations and their ultimate disposition is unknown. Parks Canada's contingent assets consist of claims which include items with pleading amounts and others for which no amount is specified. Parks Canada has made claims against external parties for which the recovery or gain is likely to materialize. The estimated amount to be recovered as of March 31, 2024 is \$1,265,081 (\$632,769 in 2023). One claim is assessed as likely and the amount cannot be reasonably estimated. Due to the sensitivity of the claims, we cannot disclose additional information.

## 16. Related party transactions

Parks Canada is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

Parks Canada enters into transactions with these entities in the normal course of business and on normal trade terms.

### (a) Common services provided without charge by other government departments

During the year, Parks Canada received services without charge from certain common service organizations, related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded at the carrying value in Parks Canada's Statement of Operations and Parks Canada's Net Financial Position as follows:

(in thousands of dollars)	2024	2023
Employer's contribution to the health and dental insurance plans	51,539	40,753
Accommodation	20,243	19,847
Legal services	194	216
Workers' compensation	62	3
Total	72,038	60,819

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 as well as the email, network and data center services and the workplace technology devices provided by Shared Services Canada are not included in Parks Canada's Statement of Operations and Parks Canada's Net Financial Position.

### (b) Other transactions with other government departments and agencies

(in thousands of dollars)	2024	2023
Accounts receivable	6,305	6,050
Accounts payable	37,626	25,385
Expenses	258,718	210,238
Revenues	317	298

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

## 17. Segmented information

Presentation by segment is based on Parks Canada's program alignment architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred and revenues generated for the main programs, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	Heritage Places Establishment	Heritage Places conservation	Heritage Places Promotion and Public Support	Visitor Experience	Heritage Canals, Highways and Townsites Management	Internal Services	<b>2024</b>	2023 restated (Note 19)
<b>Salaries and employee benefits</b>	18,041	180,526	59,053	261,295	32,313	154,696	<b>705,924</b>	571,743
<b>Operating expenses</b>								
Amortization of tangible capital assets	34	11,929	195	138,524	122,479	2,458	<b>275,619</b>	232,523
Professional and special services	1,746	21,868	3,769	50,242	15,910	28,120	<b>121,655</b>	163,599
Utilities, materials and supplies	272	17,512	1,213	49,024	15,677	2,543	<b>86,241</b>	71,666
Rentals	338	41,048	584	7,889	244	2,032	<b>52,135</b>	27,416
Transportation and communications	992	8,715	2,258	5,521	398	3,373	<b>21,257</b>	21,285
Net loss on disposal of tangible capital assets	12	10,703	-	10,149	2,844	1,345	<b>25,053</b>	16,256
Payments in lieu of taxes	-	-	-	24,484	-	-	<b>24,484</b>	22,896
Repairs and maintenance	29	2,391	34	15,172	9,491	174	<b>27,291</b>	21,892
Accommodation	513	5,148	1,670	7,532	990	4,390	<b>20,243</b>	19,847
Information	59	497	5,186	2,529	31	576	<b>8,878</b>	9,052
Miscellaneous expenses	-	206	1	4,535	640	128	<b>5,510</b>	3,463
<b>Total Operating expenses</b>	3,995	120,017	14,910	315,601	168,704	45,139	<b>668,366</b>	609,895
<b>Grants and contributions</b>	36,587	16,993	39,465	6,888	5,083	-	<b>105,016</b>	91,842
<b>Total expenses</b>	58,623	317,536	113,428	583,784	206,100	199,835	<b>1,479,306</b>	1,273,480

**17. Segmented information (continued)**

(in thousands of dollars)	Heritage Places Establishment	Heritage Places conservation	Heritage Places Promotion and Public Support	Visitor Experience	Heritage Canals, Highways and Townsites Management	Internal Services	<b>2024</b>	2023 (Note 18)
<b>Revenues</b>								
<b>Recurring revenues</b>								
Entrance fees	-	-	-	101,626	-	-	<b>101,626</b>	91,419
Recreational fees	-	-	-	47,614	-	-	<b>47,614</b>	46,212
Rentals and concessions	-	13	-	34,235	3,696	-	<b>37,944</b>	33,239
Other operating revenues	-	2,198	90	13,191	1,099	559	<b>17,137</b>	16,261
Townsites revenues	-	-	-	550	3,908	-	<b>4,458</b>	4,490
Staff housing	-	1,504	-	3,318	-	-	<b>4,822</b>	4,566
Revenues earned on behalf of Government	-	-	-	-	-	(19)	<b>(19)</b>	(23)
<b>Total Recurring revenues</b>	-	3,715	90	200,534	8,703	540	<b>213,582</b>	196,164
<b>Non-recurring revenues</b>								
Other operating revenues	-	94	-	125	12	31	<b>262</b>	349
<b>Total revenues</b>	-	3,809	90	200,659	8,715	571	<b>213,844</b>	196,513
<b>Net cost from continuing operations</b>	<b>58,623</b>	<b>313,727</b>	<b>113,338</b>	<b>383,125</b>	<b>197,385</b>	<b>199,264</b>	<b>1,265,462</b>	1,076,967

## 18. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

## 19. Adjustments to prior year's results

During the 2023-24 fiscal year, Parks Canada completed its model regarding the PS 3280 - Asset Retirement Obligations (ARO), which was implemented in 2022-23. As a result, certain anomalies were detected following further analysis of the information previously reported. Therefore, some ARO needed to be restated in accordance with the accounting standard.

A reconciliation of the restatement for the significant financial statement line items follows:

(in thousands of dollars)	2022-23		
	As previously reported	Effect of the adjustment	As restated
Statement of Financial Position	4,378,570	77,782	4,456,352
Statement of Operations and Net Financial Position	4,378,570	77,782	4,456,352
Statement of Change in Net Debt	367,631	(109,857)	257,774
Statement of Cash Flow	890,494	-	890,494