



Parks  
Canada

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Canada



# Quarterly financial report

## For the quarter ended September 30, 2023

Parks Canada Agency





## **1. Introduction**

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This report should be read in conjunction with the Main Estimates, the Supplementary Estimates and the previous Quarterly Financial Reports.

A summary description of the Parks Canada's programs can be found in [Part II of the Main Estimates](#), and a detailed description in [Part III – Departmental Plans](#).

This quarterly report has not been subject to an external audit. However, it has been reviewed by the Parks Canada's Audit Committee.

### **1.1 Basis of presentation**

This quarterly report has been prepared using an expenditure basis of accounting (modified cash accounting). The accompanying Statement of Authorities includes the Parks Canada's spending authorities granted by Parliament and those used by the Agency consistent with the Main Estimates for the 2023-24 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

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

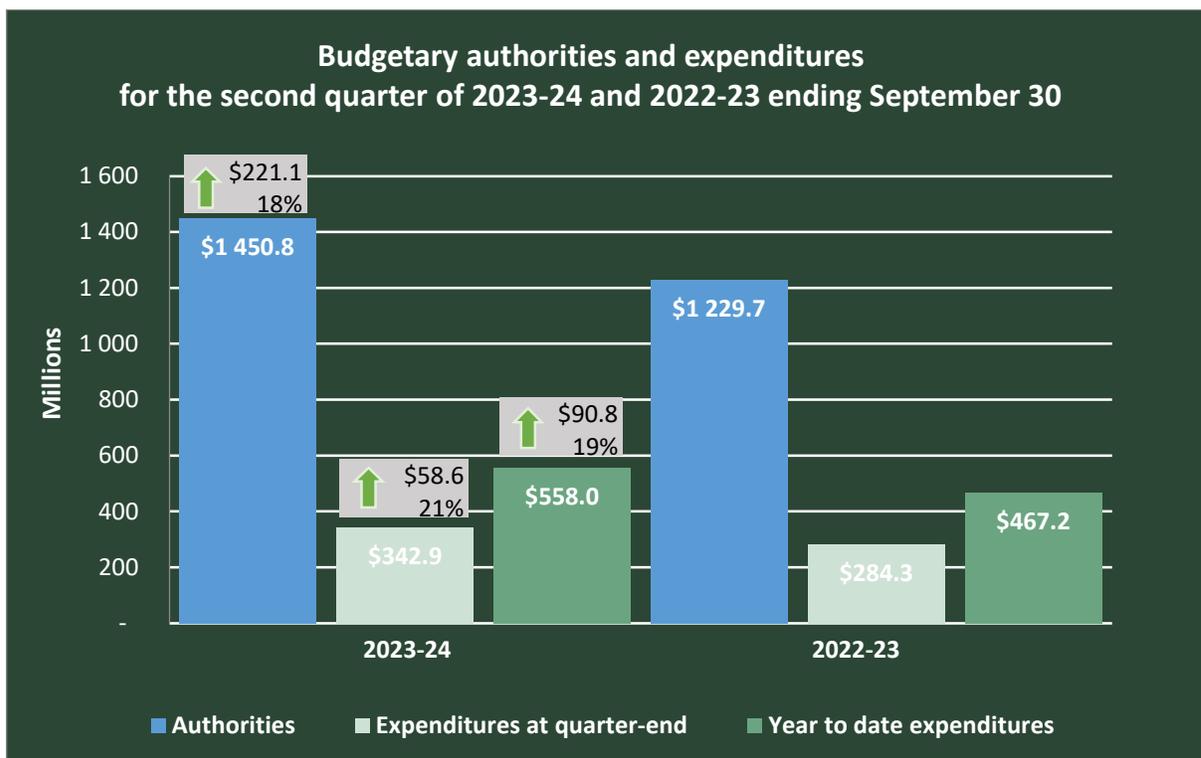
Parks Canada uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the department performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.



## 2. Highlights of fiscal quarter and fiscal year to date results

This section:

- highlights the financial results for the quarter and fiscal year-to-date ended September 30, 2023
- provides explanations of significant variances compared with the same period last year



### 2.1 Statement of authorities

#### Authorities available for use

This quarterly report reflects the funding available for use from the 2023-24 Main Estimates and the 2022-23 unused spending authority. The authorities at the same time last year consisted of 2022-23 Main Estimates, the 2022-23 Supplementary Estimates A, and the 2021-22 unused spending authority.

At September 30, 2023, Parks Canada’s total authorities available for use for the year ending March 31, 2024, are \$221.1 million (or 18%) higher when compared to the same quarter of the previous year (from \$1,229.7 million to \$1,450.8 million). This increase in authorities is primarily due to the following factors:

- a net increase of \$213.0 million in spending authorities related to time-limited funding for infrastructure investments;
- a net increase of \$18.0 million in spending authorities related to the Enhanced Nature Legacy initiative to conserve Canada’s lands and freshwater, protect species, advance Indigenous reconciliation and increase access to nature;



- a net increase of \$15.3 million in spending authorities to support disaster relief and restoration efforts through the Hurricane Fiona Recovery Fund;
- a net increase of \$11.0 million for the Trans Canada Trail and invest in community trail connections to Rouge National Urban Park; and
- a net increase of \$9.6 million in spending authorities to implement the Federal framework to address the legacy of residential schools.

Offset by the decrease of \$50.8 million in the carryforward funds from 2022-23 (included in the 2023-24 authorities) as compared to 2021-22 due to a decrease in the capital funds carried over.

### Authorities used during the quarter

In the second quarter of 2023-24, total net budgetary expenditures were \$342.9 million compared to \$284.3 million reported for the same period in 2022-23, resulting in an increase of \$58.6 million (or 21%). The increase in authorities used during the quarter is primarily related to nature legacy, infrastructure investments, and fire management.

Table 1 provides information on the authorities available for use and used during this quarter.

## 2.2 Budgetary expenditures by standard object (Table 2)

### Planned by standard object

Total planned expenditures, for the year ending March 31, 2024, are \$221.1 million (or 18%) higher compared to the previous year. The increases are mainly observed in acquisition of lands, buildings and works as well as repair and maintenance planned expenditures, due to increased infrastructure investment funding.

These increases are partially offset by decreases in Transfer payments planned expenditures, largely due to the internal reallocation of contribution funding to the New Parks and Historic Sites Account.

### Expended by standard object

As per Table 2 ([Budgetary Expenditures by Standard Object](#)), the total expended in the second quarter ending September 30, 2023, is \$90.7 million (or 19%) higher compared to the previous year.

The major variances are as follows:

- an increase of \$30.2 million in the acquisition of land, buildings and works related to funding for infrastructure investment (Trans Canada Highway) and nature legacy (Caribou breeding facility in Jasper)
- an increase of \$19.8 million in personnel expenses, due an increase in full time indeterminate and term employees across the Agency following funding to maintain the Agency's capacity to manage its capital assets. In addition, due to the wildfires in the Northwest Territories, employees worked overtime to combat wildfires
- an increase of \$16.3 million in transfer payments for the Trans Canada trail and First Nations, Inuit and Metis association for the development of New Parks and Historic Sites (NPHS)
- an increase of \$17.5 million in professional and special services related to for funding for infrastructure investment (Province House Restoration, Kirkfield



- lock, traffic management services), and due to the wildfires in the Northwest Territories, first response facilities and contractors/partners were used to help combat wildfires
- an increase of \$13.5 million in rentals due to the wildfires in the Northwest Territories, aircraft and heavy equipment were rented to combat wildfires
  - an increase of \$5.8 million in utilities, material, and supplies due to the wildfires in the Northwest Territories, aviation fuel and other material had to be purchased for operating the aircrafts and to combat wildfires

### 3. Risks and uncertainties

Parks Canada undertakes a corporate risk assessment every year to support programs, priority setting and resource allocation. The risk assessment identifies key corporate risks that have the greatest impact on the organisation's ability to deliver its Core Responsibility and achieve Departmental Results. Parks Canada has identified the following key corporate risks for 2023-24.

#### Environmental forces adaptation and response

Due to the magnitude and rapid pace of environmental changes (e.g., increased incidence of minor weather events such as wildfires), there is a risk that the integrity of ecosystems, cultural resources and infrastructure cannot be protected against these forces which may lead to Parks Canada being unable to deliver its mandate.

#### Relationships with Indigenous peoples

There is a risk that Parks Canada may not be able to fulfill its obligations to keep in step with evolving jurisprudence to support the Government of Canada's commitment to implement the *United Nations Declaration on the Rights of Indigenous Peoples Act*. Falling short of obligations and the inability to take actions in the spirit of the United Nations Declaration on the Rights of Indigenous Peoples will have a negative impact on relationships with Indigenous peoples, communities, and organizations. These relationships are integral to the management of protected heritage places and to supporting the connection that Indigenous peoples have to these places.

#### Visitation and relevance to Canadians

Socioeconomic conditions and other market influences are changing. In order to maintain its relevance to Canadians and visitors, Parks Canada must adapt its programs and services to meet their expectations.

#### Recruitment and retention

Canada's labour market is shrinking, with competitive demand for labour resources across the country. Parks Canada's ability to attract, retain, and develop employees while maintaining a flexible, high-performing work environment is at risk and could negatively affect operational capacities and the well-being of its employees.

#### Service and digital

With the rapid pace of changes in technology and the expectations of service users, there is a risk that Parks Canada may not be able to provide modern services and safeguard data and information without continual investment in aging IT infrastructure, digital solutions, cybersecurity, and reviews of its IM/IT services. This may impact the health and safety of visitors, result in the loss of revenue, and the inability of Parks Canada to adequately deliver on its mandate.



### **Built asset condition and long-term sustainability**

There is a risk that a sustainable asset portfolio will not be maintained due to aging infrastructure, inadequate levels of recapitalization and maintenance, and climate change and inflationary impacts. As a result, public safety and access may be compromised, cultural heritage may be lost, and Parks Canada's reputation may be damaged.

### **Business innovation**

There is a risk that Parks Canada may not have adequate capacity, business processes, and tools if it does not modernize its corporate and internal services. As a result, Parks Canada may not have the foundational services required to effectively and efficiently support program and service delivery.

### **Workforce, equity, accessibility, inclusion and diversity, and well-being**

If Parks Canada fails to foster an inclusive and barrier-free work environment that reflects Canada's diverse population, there is a risk that it will not have the cultural competencies and perspectives needed to serve all Canadians, and will not be able to build and maintain a healthy workplace, which may result in impacts on programs and services, and damage its reputation.

## **4. Significant changes in relation to operations, personnel and programs**

Effective August 21, 2023, Jaclyn Staniforth, Chief Audit and Evaluation Executive has departed the Parks Canada Agency. Renée Lajzerowicz was appointed on interim basis until an indeterminate successor is identified.

## **5. Approval by senior officials**

Approved by:

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Ron Hallman  
President & Chief Executive Officer,  
Parks Canada  
Gatineau, Canada  
November 2023

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Andrew Francis  
Vice-President, Finance,  
Parks Canada  
Gatineau, Canada  
November 2023



**Parks Canada**  
**For the quarter ended September 30, 2023**  
**Statement of authorities - Table 1**  
**(Unaudited)**

	Fiscal Year 2023-24			Fiscal Year 2022-23		
	Total available for use for the year ending March 31, 2024 <sup>(1)</sup>	Used during the quarter ended September 30, 2023	Year to date used at quarter-end	Total available for use for the year ending March 31, 2023 <sup>(1), (2)</sup>	Used during the quarter ended September 30, 2022	Year to date used at quarter-end
<b>(in thousands of dollars)</b>						
Vote 1 - Operating expenditures, grants and contributions	680,779	183,227	311,917	661,337	141,423	256,391
Vote 5 – Capital expenditures	375,665	75,098	102,009	232,723	40,487	61,408
Vote 10 - Payments to the New Parks and Historic Sites Account	81,305	-	-	21,258	21,258	21,258
Statutory - Contributions to employee benefit plans	63,250	15,812	31,625	63,855	14,275	28,550
Statutory - Expenditures equivalent to revenues resulting from the conduct of operations pursuant to section 20 of the <i>Parks Canada Agency Act</i>	249,757	68,719	112,415	250,522	66,873	99,618
<b>Total budgetary authorities</b>	<b>1,450,756</b>	<b>342,856</b>	<b>557,966</b>	<b>1,229,695</b>	<b>284,316</b>	<b>467,225</b>

Notes:

(1) Includes only Authorities available for use and granted by Parliament at quarter-end.

(2) Starting in 2022-23, Parks Canada has a separate vote for capital expenditures. Prior to that, capital expenditures were included under one vote entitled Vote 1 Program expenditures.



**Parks Canada**  
**For the quarter ended September 30, 2023**  
**Budgetary expenditures by Standard Object - Table 2**  
**(Unaudited)**

	Fiscal Year 2023-24			Fiscal Year 2022-23		
	Planned expenditures for the year ending March 31, 2024 <sup>(1)</sup>	Expended during the quarter ended September 30, 2023	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2023 <sup>(1)</sup>	Expended during the quarter ended September 30, 2022	Year to date used at quarter-end
<b>(in thousands of dollars)</b>						
<b>Expenditures:</b>						
Personnel	485,325	163,146	299,797	475,538	152,126	280,041
Transportation and communications	13,297	6,076	10,389	20,941	4,328	7,853
Information	15,876	1,637	5,075	17,546	2,073	4,522
Professional and special services	157,890	40,860	60,537	158,849	29,372	43,022
Rentals	31,512	21,618	25,406	33,668	8,790	11,943
Repair and maintenance	68,553	4,604	7,503	38,118	3,365	5,235
Utilities, materials, and supplies	108,461	18,711	28,102	103,072	14,273	22,255
Acquisition of land, buildings and works	329,930	56,589	73,011	203,140	27,725	42,836
Acquisition of machinery and equipment	46,596	7,974	12,311	41,624	4,352	9,145
Transfer payments	88,777	9,381	23,230	105,590	4,875	6,933
Public debt charges	-	12	26	-	16	33
Other subsidies and payments	104,539	12,249	12,579	31,609	33,022	33,407
<b>Total budgetary expenditures</b>	<b>1,450,756</b>	<b>342,856</b>	<b>557,966</b>	<b>1,229,695</b>	<b>284,316</b>	<b>467,225</b>

Notes:

(1) Includes only Authorities available for use and granted by Parliament at quarter-end.