



Parks
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Quarterly financial report

For the quarter ended December 31, 2023

Parks Canada Agency





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.

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.

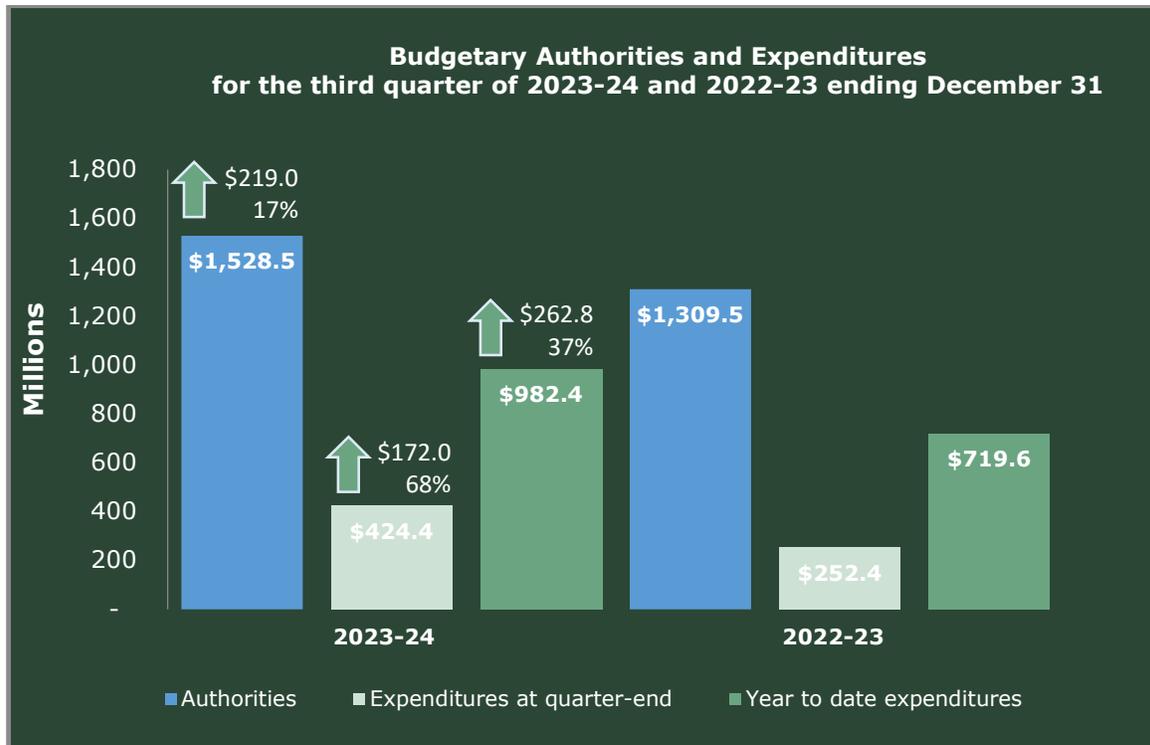
Parks Canada uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the department performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.



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 December 31, 2023; and
- provides explanations of significant variances compared with the same period last year.





Statement of authorities

Authorities available for use

This quarterly report reflects the funding available for use from the 2023-24 Main Estimates, the 2023-24 Supplementary Estimates B, additional compensation adjustments, 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 B, and the 2021-22 unused spending authority.

At December 31, 2023, Parks Canada's total authorities available for use for the year ending March 31, 2024, are \$219.0 million (or 17%) higher when compared to the same quarter of the previous year (from \$1,309.5 million to \$1,528.5 million). This increase in authorities is primarily due to the following factors:

- A net increase of \$153.9M related to time-limited funding for infrastructure investments;
- A net increase of \$53.5M related to compensation allocations resulting from collective agreements;
- A net increase of \$18.0M related to the Enhanced Nature Legacy;
- A net increase of \$24.3M related to the Hurricane Fiona Recovery Fund;
- A net increase of \$8.5M related to Species At Risk renewal; and
- A net increase of \$4.9M related to 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 third quarter of 2023-24, total net budgetary expenditures were \$424.4 million compared to \$252.4 million reported for the same period in 2022-23, resulting in an increase of \$172.0 million (or 68%). The increase in authorities used during the quarter is primarily related to Enhanced Nature Legacy, infrastructure investments, Fire Management, the ratification of the collective agreement, and transfer to the New Parks and Historic Sites Account (NPHS).

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

Budgetary expenditures by standard object (Table 2)

Planned by standard object

Total planned expenditures, for the year ending March 31, 2024, are \$219.0 million (or 17%) higher compared to the previous year. The increases are mainly observed in Personnel, Acquisition of lands, buildings and works, as well as Repair and maintenance, due to an increase in infrastructure investment funding.

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



Expended by standard object

As per Table 2 (Budgetary Expenditures by Standard Object), the total expended in the third quarter ending December 31, 2023, is \$172.0 million (or 68%) higher compared to the previous year.

The major variances are as follows:

- An increase of \$61.1 million in Other subsidies and payments due to the transfer to the New Parks and Historic Sites (NPHS);
- An increase of \$54.1 million in Personnel due to the ratification of the collective agreement, the Agency reimbursed a portion of retroactive payment due to employees. In addition, 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;
- An increase of \$35.2 million in the acquisition of land, buildings and works related to the funding for infrastructure investment (Highways, roads, and heritage buildings) and nature legacy (Caribou breeding facility in Jasper); and
- An increase of \$5.0 million in rentals due to the wildfires in the Northwest Territories, aircraft and heavy equipment were rented to combat wildfires.

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.

Significant changes in relation to operations, personnel and programs

Effective November 23, 2023, Catherine Blanchard, Vice-President, Finance, has retired from the federal public service. Andrew Francis was appointed as Vice-President, Finance.

Approval by senior officials

Approved by:

Andrew Campbell
Acting President & Chief Executive Officer,
Parks Canada
Gatineau, Canada
February 2024

Andrew Francis
Vice-President, Finance,
Parks Canada
Gatineau, Canada
February 2024



Parks Canada
Statement of authorities - Table 1
For the quarter ended December 31, 2023 (Unaudited)

	Fiscal Year 2023-24			Fiscal Year 2022-23		
	Total available for use for the year ending March 31, 2024 ⁽¹⁾	Used during the quarter ended December 31, 2023	Year to date used at quarter-end	Total available for use for the year ending March 31, 2023 ^{(1), (2)}	Used during the quarter ended December 31, 2022	Year to date used at quarter-end
(in thousands of dollars)						
Vote 1 - Operating expenditures, grants and contributions	752,366	199,145	511,061	699,470	144,147	400,538
Vote 5 – Capital expenditures	380,517	82,612	184,621	273,041	49,573	110,980
Vote 10 – Payments to the New Parks and Historic Sites Account	81,305	81,305	81,305	21,258	0	21,258
Statutory - Contributions to employee benefit plans	64,573	15,812	47,437	65,241	14,275	42,825
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	45,543	157,958	250,522	44,407	144,025
Total budgetary authorities	1,528,518	424,416	982,382	1,309,532	252,402	719,627

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
Budgetary expenditures by Standard Object Table 2
For the quarter ended December 31, 2023 (Unaudited)

	Fiscal Year 2023-24			Fiscal Year 2022-23		
	Planned expenditures for the year ending March 31, 2024 ⁽¹⁾	Expended during the quarter ended December 31, 2023	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2023 ⁽¹⁾	Expended during the quarter ended December 31, 2022	Year to date used at quarter-end
(in thousands of dollars)						
Expenditures:						
Personnel	548,740	176,887	476,684	486,322	122,748	402,790
Transportation and communications	14,002	4,879	15,268	21,122	6,905	14,758
Information	16,126	918	5,993	18,228	1,452	5,974
Professional and special services	161,932	38,502	99,039	165,957	38,795	81,817
Rentals	31,844	15,428	40,834	33,860	10,400	22,343
Repair and maintenance	73,978	4,795	12,298	48,827	6,648	11,882
Utilities, materials, and supplies	110,502	13,984	42,085	104,593	15,075	37,330
Acquisition of land, buildings and works	329,930	64,306	137,317	239,836	29,126	71,962
Acquisition of machinery and equipment	47,989	8,505	20,816	42,588	6,514	15,659
Transfer payments	88,936	13,959	37,190	116,590	14,612	21,545
Public debt charges	0	11	37	0	14	47
Other subsidies and payments	104,539	82,241	94,820	31,609	113	33,519
Total budgetary expenditures	1,528,518	424,416	982,382	1,309,532	252,402	719,627

Notes:

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