

**THE NATIONAL BATTLEFIELDS
COMMISSION**

FINANCIAL STATEMENTS

March 31, 2013

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, 2013, and all information contained in these statements rests with the management of the National Battlefields Commission (The Commission). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Commission's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Commission's *Departmental Performance Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

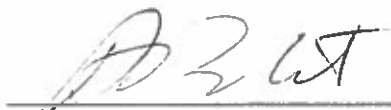
Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Commission.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

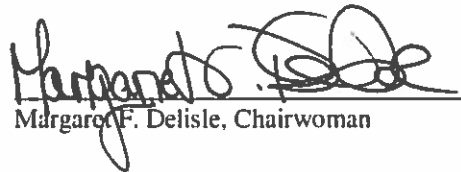
The Commission is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board *Policy on Internal Control*.

A Core Control Audit was performed in 2011-2012 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the Commission web site at: <http://www.ccbn-nbc.gc.ca/index.html>. These documents provide appropriate disclosure on control management.

The Office of the Auditor General, the independent auditor for the Government of Canada, has expressed an opinion on the fair presentation of the financial statements of the Commission which does not include an audit opinion on the annual assessment of the effectiveness of the Commission's internal controls over financial reporting.



André Beaudet, Secretary



Margarete F. Delisle, Chairwoman

Quebec, Canada
July 23, 2013



INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

I have audited the accompanying financial statements of The National Battlefields Commission, which comprise the statement of financial position as at 31 March 2013, and the statement of operations and departmental net financial position, statement of change in departmental net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The National Battlefields Commission as at 31 March 2013, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

René Béliveau, CPA auditor, CA
Principal
for the Auditor General of Canada

23 July 2013
Montréal, Canada

THE NATIONAL BATTLEFIELDS COMMISSION

Statement of Financial Position

As at March 31


(in dollars)

	<u>2013</u>	<u>2012</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 896,090	\$ 580,628
Vacation pay and compensatory leave	45,165	44,711
Government departments	148,689	134,866
Employee future benefits (note 9)	<u>511,049</u>	<u>558,017</u>
Total net liabilities	1,600,993	1,318,222
Financial assets		
Due from Consolidated Revenue Fund	1,032,979	698,238
Accounts receivable (note 5)	<u>11,800</u>	<u>17,255</u>
Total net financial assets	1,044,779	715,493
Departmental net debt	556,214	602,729
Non-financial assets		
Tangible capital assets (note 6)	13,059,177	13,550,481
Deferred charges	<u>63,704</u>	<u>76,192</u>
Total non-financial assets	13,122,881	13,626,673
Departmental net financial position	\$ <u>12,566,667</u>	\$ <u>13,023,944</u>

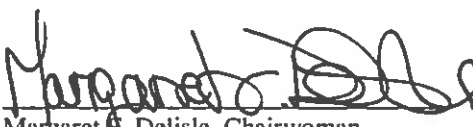
Contractual obligations (note 10)

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

Approved by the Board :



André Beaudet, Secretary



Margaret Delisle, Chairwoman

Quebec, Canada
July 23, 2013

THE NATIONAL BATTLEFIELDS COMMISSION
Statement of Operations and Departmental Net Financial Position
For the Year Ended March 31
(in dollars)

	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Planned Results		
Expenses (note 8)			
Conservation and Development	\$ 2,377,336	\$ 2,256,298	\$ 2,388,821
Public Education and Services	986,150	1,071,905	1,055,937
Internal Services	<u>6,784,693</u>	<u>7,032,504</u>	<u>6,791,406</u>
Total expenses	10,148,179	10,360,707	10,236,164
Revenues			
Parking	1,000,000	1,281,273	1,248,619
Educational activities and welcoming of visitors	380,000	450,445	428,888
Rent	190,000	192,043	192,888
Other revenues	<u>210,000</u>	<u>214,966</u>	<u>311,432</u>
Total revenues	1,780,000	2,138,727	2,181,827
Cost of operations	8,368,179	8,221,980	8,054,337
 (Excess of income on costs) excess of costs on income (note 7)	 1,500	 (65,587)	 81,421
Net cost of operations before government funding	8,369,679	8,156,393	8,135,758
Government funding			
Net cash provided by Government	7,645,966	7,139,220	7,978,687
Change in due from Consolidated Revenue Fund	0	334,741	(208,525)
Services provided without charge by other government departments (note 11)	<u>332,000</u>	<u>225,155</u>	<u>232,363</u>
Net cost of operations after government funding	391,713	457,277	133,233
Departmental net financial position - Beginning of year	12,872,812	13,023,944	13,157,177
Departmental net financial position - End of year	\$ <u>12,481,099</u>	\$ <u>12,566,667</u>	\$ <u>13,023,944</u>

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

THE NATIONAL BATTLEFIELDS COMMISSION

Statement of Change in Departmental Net Debt

For the Year Ended March 31

(in dollars)

	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Planned Results		
Net cost of operations after government funding	\$ 391,713	\$ 457,277	\$ 133,233
Change due to tangible capital assets			
Acquisition of tangible capital assets	458,100	525,160	844,468
Amortization of tangible capital assets	(887,325)	(1,016,464)	(974,977)
Amortization of deferred charges	(12,488)	(12,488)	(12,488)
Total change due to tangible capital assets	(441,713)	(503,792)	(142,997)
Net decrease in departmental net debt	(50,000)	(46,515)	(9,764)
Departmental net debt - Beginning of year	580,001	602,729	612,493
Departmental net debt - End of year	\$ <u>530,001</u>	\$ <u>556,214</u>	\$ <u>602,729</u>

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

THE NATIONAL BATTLEFIELDS COMMISSION

Statement of Cash Flows

For the Year Ended March 31

(in dollars)

	<u>2013</u>	<u>2012</u>
Operating activities		
Net cost of operations before government funding	\$ 8,156,393	\$ 8,135,758
Non-cash items:		
Amortization of tangible capital assets	(1,016,464)	(974,977)
Services provided without charge by other government departments (note 11)	(225,155)	(232,363)
Amortization of deferred charges	(12,488)	(12,488)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable	(5,455)	550
Decrease (increase) in accounts payable and accrued liabilities	(315,462)	181,363
Decrease (increase) in government departments	(13,823)	26,612
Decrease (increase) in vacation pay and compensatory leave	(454)	21,583
Decrease (increase) in future employee benefits	46,968	(11,819)
Cash used in operating activities	<u>6,614,060</u>	<u>7,134,219</u>
Capital investing activities		
Acquisition of tangible capital assets	<u>525,160</u>	<u>844,468</u>
Cash used in capital investing activities	<u>525,160</u>	<u>844,468</u>
Net cash provided by Government of Canada	<u>\$ 7,139,220</u>	<u>\$ 7,978,687</u>

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

THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

1. Authority and Objectives

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

The Commission is a departmental corporation named in Schedule II of the *Financial Administration Act*.

The Commission's mandate is to ensure that all the cultural, recreational and natural resources of the Battlefields Park are developed in the best interest of Canadians and that the image of the Government of Canada is strengthened without compromising the historic character of the site. To achieve that goal, the Commission will acquire, preserve and develop the great historic battlefields in Quebec.

The land of the Battlefields Park administered by the National Battlefields Commission includes:

The Plains of Abraham, site of the Battle of 1759 between Wolfe and Montcalm;
Des Braves Park, marking the Battle of St-Foy in 1760;
The Pierre-Dugua-de-Mons Terrace, east of the Quebec Citadel, overlooking Cap-aux-Diamants;
The Plains of Abraham Discovery Pavillon on Wilfrid Laurier Avenue;
The Maison St-Laurent located at 201,203 Grande-Allée Est in Québec;
The adjoining thoroughfares, two Martello Towers on the site and a tower in Quebec City.

2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities – The Commission is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Commission do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2012-13 *Report on Plans and Priorities*.

Liquidity risk is the risk that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. The entity's objective for managing liquidity risk is to manage operations and cash expenditures within the appropriation authorized by Parliament or allotment limits approved by the Treasury Board.

Each year, the Commission presents information on planned expenditures to Parliament through the tabling of Estimates publications. These estimates result in the introduction of supply bills (which, once passed into legislation, become appropriation acts) in accordance with the reporting cycle for government expenditures. The Commission exercises expenditure initiation processes such that unencumbered balances of budget allotments and appropriations are monitored and reported on a regular basis to help ensure sufficient authority remains for the entire period and appropriations are not exceeded.

Consistent with Section 32 of the Financial Administration Act, the Commission's policy to manage liquidity risk is that no contract or other arrangement providing for a payment shall be entered into with respect to any program for which there is an appropriation by Parliament or an item included in estimates then before the House of Commons to which the payment will be charged unless there is a sufficient unencumbered balance available out of the appropriation or item to discharge any debt that, under the contract or other arrangement, will be incurred during the fiscal year in which the contract or other arrangement is entered into.

The entity's risk exposure and its objectives, policies and processes to manage and measure this risk did not change significantly from the prior year.

(b) Net cash provided by Government – The Commission operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Commission is deposited to the CRF, and all cash disbursements made by the Commission are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Commission is entitled to draw from the CRF without further authorities to discharge its liabilities. This amount is not considered to be a financial instrument.

(d) Revenues – Revenues are recognized in the accounts based on the services provided in the year.

(e) Expenses – Expenses are recorded on the accrual basis.

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

Services provided without charge by other government departments for employer contributions to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Commission's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The cost of these benefits is accrued as the employees render the service necessary to earn them. The directorate uses assumptions and its best estimates to calculate the value of the liability as part of the severance pay, such as seniority and employee status.

(iii) Workers' compensation benefits: The Commission recognizes, in present value, the cost of compensation benefits to be paid when the act at the origin of the obligation occurs. The liability that accounts for these benefits is recorded according to management's most probable assumptions regarding future salary, age of employees, years of service and the probability of departure. These assumptions are reviewed annually. These benefits represent the Commission's sole obligation of this nature whose resolution results in payments in the coming years.

(g) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$2,500 or more are recorded at their acquisition cost. The Commission does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

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

Asset Class	Amortization Period
Buildings	15 to 35 years
Works and infrastructure	5 to 40 years
Machinery and equipment	3 to 15 years
Vehicles	5 to 15 years
Computer material	3 to 5 years
Computer software	3 to 5 years

(h) Deferred charges – Restoration charges related to assets that are not the property of the Commission are recorded at cost and amortized on a straight-line basis over the term of the contract.

(i) Measurement uncertainty – The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for 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.

THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary Authorities

The Commission receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Commission has different net results of operations for the year 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 appropriations used

	2013	2012
	(in dollars)	
Net cost of operations before government funding	\$ 8,156,393	\$ 8,135,758
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(1,016,464)	(974,977)
Amortization of deferred charges	(12,488)	(12,488)
Services provided without charge by other government departments	(225,155)	(232,363)
Decrease (increase) in vacation pay and compensatory leave	(454)	21,583
Decrease (increase) in employee future benefits	46,968	(11,819)
Cost related to The National Battlefields Commission Trust Fund	(1,067)	(89,698)
Non-tax income	2,083,594	2,115,612
Income from National Battlefields Commission Trust Fund	66,654	8,277
Total items affecting net cost of operations but not affecting authorities	941,588	824,127
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	525,160	844,468
Total items not affecting net cost of operations but affecting authorities	525,160	844,468
Current year authorities used	\$ 9,623,141	\$ 9,804,353

(b) Authorities provided and used

	2013		2012
	(in dollars)		
Authorities provided:			
Canadian Heritage:			
Operating and capital expenditures	\$ 7,373,774	\$	7,520,725
Lapsed appropriation	(357,326)		(357,323)
	<u>7,016,448</u>		<u>7,163,402</u>
Statutory-Contribution to employee benefit plans	523,101		525,339
Expenditures corresponding to perceived revenues pursuant to sub-section 29.1(1) of the FAA	2,083,592		2,115,612
Current year authorities used	<u>\$ 9,623,141</u>	<u>\$</u>	<u>9,804,353</u>

4. Accounts Payable and Accrued Liabilities

The following table presents details of accounts payable and accrued liabilities:

	2013		2012
	(in dollars)		
Current accounts payable	\$ 825,702	\$	557,125
Accrued compensatory time	45,729		6,096
Accrued salaries	23,612		16,360
Collected fines	1,047		1,047
Accounts payable	<u>\$ 896,090</u>	<u>\$</u>	<u>580,628</u>

5. Accounts Receivable

The following table presents details of accounts receivable:

	2013		2012
	(in dollars)		
Receivables - Other government departments and agencies	\$ 11,800	\$	17,255
Accounts receivables	<u>\$ 11,800</u>	<u>\$</u>	<u>17,255</u>

THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements
For the Year Ended March 31
(in dollars)

6. Tangible capital assets

Capital Asset Class	Cost				Accumulated amortization			Net book value		
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2013	2012
Land	\$ 724,710	\$	\$	\$ 724,710	\$	\$	\$	\$	\$ 724,710	\$ 724,710
Buildings	12,671,161	15,730		12,686,891	6,073,184	472,138		6,545,322	6,141,569	6,597,977
Works and infrastructure	9,505,849	127,339		9,633,188	3,818,687	337,403		4,156,090	5,477,098	5,687,162
Machinery and equipment	1,264,140	264,452	218,655	1,309,937	1,110,200	39,616	218,655	931,161	378,776	153,940
Vehicles	1,078,746	85,219	25,396	1,138,569	914,051	73,439	25,396	962,094	176,475	164,695
Computer material	237,411			237,411	44,323	79,137		123,460	113,951	193,088
Computer software	57,692	32,420		90,112	28,783	14,731		43,514	46,598	28,909
Total	\$ 25,539,709	\$ 525,160	\$ 244,051	\$ 25,820,818	\$ 11,989,228	\$ 1,016,464	\$ 244,051	\$ 12,761,641	\$ 13,059,177	\$ 13,550,481

Amortization expense for the year ended March 31, 2013 is \$1,016,464 (\$974,977 in 2012).

THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

7. The National Battlefields Commission Trust Fund

When the National Battlefields Commission was created, a Trust fund was established for the receipt of moneys from individuals, municipal corporations, provincial governments and others, for the purpose of acquiring and preserving the great historic battlefields in Quebec. Since September 1984, the Trust fund has been governed by subsection 9.1 of the *Act respecting the National Battlefields in Quebec*, which authorizes such amounts to be spent for the purpose for which they were given to the Commission. The income and cost are included in the Statement of Operations of the Commission and are detailed as follows:

	2013	2012
	(in dollars)	
Cost		
Professional services	\$ 1,067	\$ 89,698
Total of cost	1,067	89,698
Revenues		
Interest	5,998	5,277
Miscellaneous	60,656	3,000
Total of revenues	66,654	8,277
(Excess of income on costs) excess of cost on income	(65,587)	81,421
Balance at beginning of the year	651,496	732,917
Balance at end of year, deposited with the Receiver General for Canada	\$ 717,083	\$ 651,496

8. Information on Expenses

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

The **Conservation and Development** includes the following services:

- The service of maintenance, which maintains the site, its furnishings, buildings and infrastructure, provides for a safe and stable environment, minimizes the effects of wear and tear and deterioration and slows down or prevents damage;
- The service of horticultural which is responsible for the landscaping, horticultural, arboriculture activities and sustainable development;
- The service of surveillance and security, which ensures to it that regulations regarding peace and public order are respected; enforces traffic and parking and regulations; ensures the safety of site users; and provides for surveillance of the Commission's premises and properties.

The **Public Education and Services** includes the following services:

- Client Services, which includes welcoming visitors and users to the Park, the dissemination of information to the public and reservations for educational interpretation activities for school and the general public;
- Cultural and Technical Service.

The **Internal Services** includes the provision of management, administration, financial services, parking services and communication services.

SUMMARY OF EXPENSES BY MAJOR TYPE

	2013	2012
	(in dollars)	
Salaries and employee benefits	\$ 4,318,988	\$ 4,170,720
Payment in lieu of taxes	2,234,436	2,211,511
Amortization of tangible capital assets	1,016,464	974,977
Utilities, materials and supplies	877,845	795,683
Professional services	725,343	706,865
Maintenance	590,062	782,570
Publicity	383,507	381,364
Transportation and communication	126,477	130,640
Rental	75,097	69,346
Amortization of deferred charges	12,488	12,488
Total of charges	\$ 10,360,707	\$ 10,236,164

9. Employee futures benefits

a) Pension benefits

The Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. 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 Plans benefits and they are indexed to inflation.

Both the employees and the Commission contribute to the cost of the Plan. The 2012-2013 expense amounts to \$373,494 (\$377,719 in 2011-2012), which represents approximately 1.7 times (1.8 times in 2011-2012) the contributions by employees.

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

b) Severance benefits and workers' compensation benefits

The Commission provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing on October 29, 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. Employees had until April 29, 2013 to make their intentions known, 90% of employees have expressed their choice by an immediate or short-term payment representing 79% of the total severance. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Benefits will be paid from future authorities.

To calculate the severance benefit obligation the Commission uses a 2.00% rate of compensation increase, a 2.49% discount rate, a 0% probability of employee departure before the age of 55 (30 years of service and 55 years of age) or before the age of 60 which is the assumed retirement age for most employees.

For workers' compensation benefits, the Commission has recognized an obligation totaling \$137,474. To calculate this liability, the Commission uses a rate of compensation increase of 2.00% and a discount rate of 2.49% as a hypothesis for the final payments of the compensation.

	2013		2012	
	(in dollars)			
Accrued benefit obligation - Beginning of year	\$	558,017	\$	546,198
Expenses for the year		197,941		47,864
Benefits paid during the year		(244,909)		(36,045)
Accrued benefit obligation - End of year	\$	511,049	\$	558,017

10. Contractual Obligations

The nature of the Commission's activities can result in some large multi-year contracts and obligations whereby the Commission will be obligated to make future payments when the services/goods are received. In 2014, these obligations include, among other things, the lawn contract and the contract related to Internet lines and the e-mail system. In subsequent years, these contracts are related to the repair and maintenance of equipment. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2014		2015		2016		2017		2018 and thereafter		Total	
Contractual Obligations	\$	266,090	\$	19,973	\$	9,009	\$	7,534	\$	7,534	\$	310,140
Total	\$	266,090	\$	19,973	\$	9,009	\$	7,534	\$	7,534	\$	310,140

THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

(in dollars)

11. Related party transactions

The Commission is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Commission received common services which were obtained without charge from another government department as disclosed below.

Common services provided without charge by a government department

During the year, the Commission received services without charge from a common service organization, related to the employer's contribution to the health and dental insurance plans. This service provided without charge has been recorded in the Department's Statement of Operations and Departmental Net Financial Position as follows:

	2013	2012
	(in dollars)	
Employer's contribution to the health and dental insurance plans	\$ 225,155	\$ 228,134
Legal services	0	4,229
Total	\$ 225,155	\$ 232,363

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 Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in the Department's Statement of Operations and Departmental Net Financial Position.

12. Non-monetary transactions

The Commission has granted exclusive rights and public exposure to certain sponsors in exchange primarily for advertising. These non-monetary transactions with unrelated parties were recorded equally in revenues and expenses. They were estimated to total \$55,133 in 2012-2013 (\$66,215 in 2011-2012), which represents the fair value of the assets and services received.