



Quarterly Financial Report for the quarter ending December 31, 2023

**Statement outlining results, risks
and significant changes in operations,
personnel and programs**



1. Introduction

This quarterly report has been prepared by Library and Archives Canada (LAC) as required by [section 65.1 of the *Financial Administration Act*](#) and in the form and manner prescribed by Treasury Board. This quarterly report should be read in conjunction with the 2023–2024 [Main Estimates](#) and [Supplementary Estimates \(A\) and \(B\)](#).

This quarterly report has not been subject to an independent audit or review.

1.1 Library and Archives Canada’s mandate

Under the *Library and Archives of Canada Act*, the mandate of LAC is as follows:

- Preserve the documentary heritage of Canada for the benefit of present and future generations.
- Serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society.
- Facilitate in Canada co-operation among the communities involved in the acquisition, preservation and diffusion of knowledge.
- Serve as the continuing memory of the Government of Canada and its institutions.

The Minister of Canadian Heritage is responsible for LAC.

1.2 Basis of presentation

This quarterly report has been prepared by LAC using an expenditure basis of accounting. The accompanying Statement of Authorities includes the spending authorities granted by Parliament and used by LAC, consistent with the [Main Estimates](#) and [Supplementary Estimates \(A\) and \(B\)](#) for the 2023–2024 fiscal year. This quarterly report has also 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

LAC uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain prepared on an expenditure basis.

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

2.1 Statement of Authorities

As reflected in the Statement of Authorities below, total authorities available for use as of December 31, 2023, are \$234.2 million, compared to \$250.4 million as of December 31, 2022. The following table provides the detailed list of authorities by fiscal year:

Authority Vote/Statutory	Description	For the quarter ended December 31, 2023	For the quarter ended December 31, 2022
Vote 1	Operating expenditures	169,148,696	141,789,396
Vote 1	Revenue credited to the vote	(5,200,000)	(4,200,000)
Vote 5	Capital expenditures	54,739,620	98,064,860
Statutory	Spending of proceeds from the disposal of surplus Crown assets	4,930	18,045
Statutory	Contributions to employee benefit plans	15,511,154	14,770,311
Total authorities		234,204,400	250,442,612

The net decrease of \$16.2 million in funding results mainly from the following:

- A decrease of \$39.1 million for the real property portfolio, mainly explained by a substantial payment of \$36.1 million in 2022–2023 for the completion of the Preservation Storage Facility in Gatineau;¹
- A decrease of \$16.3 million resulting from an alignment of the funding for the partnership between LAC, Ottawa Public Library and the City of Ottawa for the Ādisōke project;
- An increase of \$11.1 million related to carrying forward operating and capital budgets;
- An increase of \$10.6 million in temporary funding for the access to information and litigation support function;
- An increase of \$7.1 million for salary adjustments following the ratification of collective agreements;
- An increase of \$5.4 million in temporary funding for the implementation of the Federal Framework to Address the Legacy of Residential Schools, announced in Budget 2022;
- An increase of \$2.7 million in statutory adjustments;
- An increase of \$2.3 million in temporary funding related to a transfer from the Department of National Defence for the LGBT Purge Class Action.

¹ Building construction completed in 2022 for the preservation of analog archival holdings in Gatineau, Quebec.

2.2 Statement of Departmental Budgetary Expenditures by Standard Object

As presented in the Statement of Departmental Budgetary Expenditures by Standard Object, the year-to-date expenditures totalled \$140.9 million as of December 31, 2023, compared to \$139.7 million as of December 31, 2022. The increase of \$1.2 million is explained mainly by the following:

- A net increase of \$21.0 million in expenditures related to personnel, mainly attributable to:
 - salary adjustments following the ratification of collective agreements;
 - initiatives such as:
 - the access to information and litigation support function;
 - the implementation of the Federal Framework to Address the Legacy of Residential Schools announced in Budget 2022;
 - the implementation of class action settlement agreements, particularly the LGBT purge settlement;
- An increase of \$0.8 million in expenditures related to “transfer payments,” mainly due to the timing of contribution payments for the Indigenous languages and cultures preservation initiative;
- A net increase of \$0.8 million in departmental expenditures, mainly for activities concerning the acquisition, preservation and accessibility of documentary heritage (related to the acquisition, maintenance and rental of equipment);
- A net decrease of \$21.4 million in the following departmental expenditures, mainly related to the real property portfolio as well as the partnership between LAC, Ottawa Public Library and the City of Ottawa for the Ādisōke project, as detailed below:
 - A net decrease of \$29.4 million in expenditures for “acquisition of land, buildings and works” (mainly explained by the substantial payment of \$36.1 million made in 2022 for the completion of the Preservation Storage Facility, offset by increased expenses for the Ādisōke project);
 - A net increase of \$5.3 million in expenditures for “other subsidies and payments,” mainly due to the timing of payments in lieu of taxes;
 - An increase of \$2.3 million in departmental expenditures related to “professional and special services”;
 - An increase of \$0.4 million in expenditures for “public debt charges,” mainly for the portion related to interest payments for the Preservation Storage Facility.

3. Risks and uncertainties

The following section presents LAC's key risks:

- If LAC does not renew or enhance the current systems and processes supporting its digital operations, it risks hindering its ability to deliver on its mandate in an effective and efficient manner.
- If LAC does not have the capacity to fulfill its obligations related to its custodial role, its real property portfolio risks both deterioration and not meeting the growing needs of its special-purpose space to store its collections, which would jeopardize its integrity.
- If LAC does not continue to improve all of the services it offers (to researchers, the general public, the federal government, donors, libraries, publishers and in support of litigation), it risks not fully meeting the changing needs and expectations of current and future users and not remaining relevant.
- If LAC cannot recruit, train and maintain a workforce with the expertise and skills required to adapt to the rapid evolution of its business, it risks not fully achieving its mandate.

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

There were no significant changes in the organization's personnel, activities and programs during the third quarter, which ended on December 31, 2023.

Approval by senior officials

Original signed by:

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February 09, 2024

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February 5, 2024

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Statement of Authorities (unaudited)

<i>(in dollars)</i>	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Total available for use for the year ending March 31, 2024*	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*	Used during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Vote 1 – Operating Expenditures	163,948,696	40,990,845	109,157,148	137,589,396	28,331,624	79,944,800
Vote 5 – Capital Expenditures	54,739,620	8,963,734	20,153,004	98,064,860	6,947,227	50,584,887
Contributions to the employee benefit plans	15,511,154	3,877,789	11,633,366	14,770,311	3,068,506	9,205,517
Spending of proceeds from the disposal of surplus Crown assets	4,930	-	-	18,045	-	4,961
Total budgetary authorities	234,204,400	53,832,368	140,943,518	250,442,612	38,347,357	139,740,165
Non-budgetary authorities	-	-	-	-	-	-
Total authorities	234,204,400	53,832,368	140,943,518	250,442,612	38,347,357	139,740,165

*Includes only Authorities available for use and granted by Parliament at quarter-end.

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Departmental budgetary expenditures by Standard Object (unaudited)

<i>(in dollars)</i>	Fiscal year 2023–2024			Fiscal year 2022–2023		
	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Expenditures:						
Personnel	125,918,606	35,894,105	87,024,615	107,242,758	23,177,564	66,002,134
Transportation and communications	1,887,504	214,722	541,143	940,276	128,527	294,218
Information	871,716	13,121	111,803	295,795	6,771	94,357
Professional and special services	16,645,338	6,721,480	14,084,738	11,988,470	5,826,872	11,798,626
Rentals	4,003,367	757,276	4,117,981	1,546,188	518,282	3,303,468
Repair and maintenance	8,957,549	196,851	384,513	10,255,624	190,548	417,541
Utilities, materials and supplies	7,924,965	923,312	1,948,891	7,803,738	902,069	1,894,545
Acquisition of land, buildings and works	51,533,141	8,413,529	19,121,510	55,402,355	6,200,573	48,522,239
Acquisition of machinery and equipment	2,889,129	445,859	1,065,162	3,404,808	448,448	1,225,291
Transfer payments	3,305,000	403,458	2,971,904	3,520,500	485,468	2,213,118
Public debt charges	6,267,583	1,823,095	3,669,096	-	1,411,850	3,233,219
Other subsidies and payments	9,200,502	-1,544,919	6,952,144	52,242,100	-454,777	1,646,518
Total gross budgetary expenditures	239,404,400	54,261,889	141,993,500	254,642,612	38,842,195	140,645,274
Less Revenues netted against expenditures:						
Responsible Revenues	5,200,000	429,521	1,049,982	4,200,000	494,838	905,109
Total Revenues netted against expenditures	5,200,000	429,521	1,049,982	4,200,000	494,838	905,109
Total net budgetary expenditures	234,204,400	53,832,368	140,943,518	250,442,612	38,347,357	139,740,165