



Quarterly Financial Report for the Quarter Ended September 30, 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 \(A\)](#).

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 \(A\)](#) 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 September 30, 2023, are \$223.9 million, compared to \$231.2 million as of September 30, 2022. The following table provides the detailed list of authorities by fiscal year:

Authority Vote/Statutory	Description	For the quarter ended September 30, 2023	For the quarter ended September 30, 2022
Vote 1	Operating Expenditures	158,853,215	126,078,028
Vote 1	Revenue credited to the vote	(5,200,000)	(4,200,000)
Vote 5	Capital Expenditures	54,739,620	97,064,860
Statutory	Spending of proceeds from the disposal of surplus Crown assets	3,666	17,491
Statutory	Contributions to employee benefit plans	15,511,154	12,274,023
Total authorities		223,907,655	231,234,402

The net decrease of \$7.3 million in funding results mainly from the following:

- A decrease of \$39.1 million for the real property portfolio, mainly explained by a substantial completion payment of \$36.1 million in 2022–2023 for 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 \$24.1 million in temporary funding for the access to information and litigation support function.
- An increase of \$11.1 million related to the carry-forward of the operating and capital budgets.
- An increase of \$7.2 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 \$5.7 million in statutory adjustments.

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 \$87.1 million as of September 30, 2023, compared to \$101.4 million as of September 30, 2022. The decrease of \$14.3 million is explained mainly by the following:

- A net decrease of \$23.8 million in the following departmental expenditures, mainly related to the real property portfolio and the partnership between LAC, Ottawa Public Library and the City of Ottawa for the Ādisōke project, as detailed below:
 - A net decrease of \$31.6 million in expenditures for “Acquisition of land, buildings and works” (mainly explained by the substantial completion payment of \$36.1 million made in 2022 for the Preservation Storage Facility, compensated by other expenses for the Ādisōke project in Ottawa, Ontario).
 - A net increase of \$6.4 million in expenditures for “Other subsidies and payments,” mainly due to the timing of payments in lieu of taxes.
 - An increase of \$1.4 million in departmental expenditures related to “Professional and special services.”

- A net increase of \$8.3 million in expenditures related to personnel, mainly related to 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 such as the LGBT purge.

- 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 initiative.

- A net increase of \$0.4 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.

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

Christine Ivory has been appointed Assistant Deputy Minister, Collections, effective August 21, 2023.

There were no other significant changes in the organization's personnel, activities and programs during the second quarter, which ended on September 30, 2023.

Approval by senior officials

Original signed by:

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Librarian and Archivist of Canada
Library and Archives Canada
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November 10, 2023

Nancy Taillon
Assistant Deputy Minister
Corporate Services, and Chief Financial Officer
Library and Archives Canada
Gatineau, Quebec, Canada
November 9, 2023

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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 September 30, 2023	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2023*	Used during the quarter ended September 30, 2022	Year-to-date used at quarter-end
Vote 1 – Operating Expenditures	153,653,215	37,601,157	68,166,303	121,878,028	28,360,522	51,613,176
Vote 5 – Capital Expenditures	54,739,620	7,750,166	11,189,270	97,064,860	5,052,904	43,637,660
Contributions to the employee benefit plans	15,511,154	3,877,788	7,755,577	12,274,023	3,068,505	6,137,011
Spending of proceeds from the disposal of surplus Crown assets	3,666	-	-	17,491	4,961	4,961
Total budgetary authorities	223,907,655	49,229,111	87,111,150	231,234,402	36,486,892	101,392,808
Non-budgetary authorities	-	-	-	-	-	-
Total authorities	223,907,655	49,229,111	87,111,150	231,234,402	36,486,892	101,392,808

*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 September 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended September 30, 2022	Year-to-date used at quarter-end
Expenditures:						
Personnel	117,840,234	26,882,573	51,130,510	94,100,846	21,840,148	42,824,570
Transportation and communications	1,870,192	216,611	326,421	834,595	84,106	165,691
Information	871,716	89,325	98,682	295,795	79,331	87,586
Professional and special services	16,598,338	4,560,181	7,363,258	8,976,034	3,967,957	5,971,754
Rentals	3,977,460	1,380,021	3,360,705	1,295,550	1,144,290	2,785,186
Repair and maintenance	8,957,549	155,684	187,662	10,186,395	120,371	226,993
Utilities, materials and supplies	7,873,093	745,912	1,025,579	7,714,789	655,104	992,476
Acquisition of land, buildings and works	51,533,141	7,458,200	10,707,981	55,402,355	4,339,121	42,321,666
Acquisition of machinery and equipment	2,803,228	519,499	619,303	865,443	527,384	776,843
Transfer payments	3,305,000	1,000,365	2,568,446	3,520,500	510,122	1,727,650
Public debt charges	6,267,583	917,398	1,846,001	-	1,821,369	1,821,369
Other subsidies and payments	7,210,121	5,902,295	8,497,063	52,242,100	1,774,707	2,101,295
Total gross budgetary expenditures	229,107,655	49,828,064	87,731,611	235,434,402	36,864,010	101,803,079
Less Revenues netted against expenditures:						
Responsible Revenues	5,200,000	598,953	620,461	4,200,000	377,118	410,271
Total Revenues netted against expenditures	5,200,000	598,953	620,461	4,200,000	377,118	410,271
Total net budgetary expenditures	223,907,655	49,229,111	87,111,150	231,234,402	36,486,892	101,392,808