



# Quarterly Financial Report for the Quarter Ended September 30, 2021

**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 2021–2022 [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:

- to preserve the documentary heritage of Canada for the benefit of present and future generations;
- to 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;
- to facilitate in Canada co-operation among the communities involved in the acquisition, preservation and diffusion of knowledge; and
- to serve as the continuing memory of the Government of Canada and its institutions.

The Minister of Canadian Heritage is responsible for LAC.

LAC's activities align with two strategic priorities: service transformation and the optimization of its digital capacity.

To reach more users and provide them with the best possible experience, LAC is working to transform its services and virtual access to the collection. Users expect to find what they are looking for quickly, and to have a user-friendly, dynamic and interactive online experience—this is what LAC aims to deliver by making the most of what digital technology has to offer.

As LAC begins transforming its services to better disseminate its collection's content, it must also prepare by optimizing its digital infrastructure and its ability to acquire, manage and preserve the constantly growing digital content transferred to it by Canadian content producers (federal government institutions, publishers and other creators) and the content it generates through digitization.

## 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 2021–2022 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, 2021, are \$157.5 million compared to \$143.6 million as of September 30, 2020. The following table provides the detailed list of authorities by fiscal year:

| Authority<br>Vote/Statutory | Description   | For the quarter ended<br>September 30, 2021 | For the quarter ended<br>September 30, 2020 |
|-----------------------------|---|---|---|
| Vote 1                      | Operating Expenditures  | 109,836,720                                 | 108,422,660                                 |
| Vote 1                      | Revenue credited to the vote                                      | (5,000,000)                                 | (550,000)                                   |
| Vote 5                      | Capital Expenditures  | 40,841,157                                  | 24,205,372                                  |
| Statutory                   | Spending of proceeds from the disposal<br>of surplus Crown assets | 17,231                                      | 3,074                                       |
| Statutory                   | Contributions to employee benefit plans                           | 11,750,446                                  | 11,521,626                                  |
| <b>Total authorities</b>    |   | <b>157,445,554</b>                          | <b>143,602,732</b>                          |

The overall increase of \$13.9 million results mainly from the following:

- An increase of \$18.2 million for the partnership between LAC, Ottawa Public Library and the City of Ottawa for a joint facility project (Ādisōke);
- An increase of \$2.2 million for salary adjustments following the ratification of collective agreements;
- A decrease of \$4.6 million for an alignment of the funding for the Real Property Portfolio;
- A decrease of \$1.6 million in funding for the revitalization of Indigenous languages and culture initiative; and
- A decrease of \$0.3 million related to the carry-forward of the operating budget and the carry-forward of the capital budget.

## **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 \$60.6 million as of September 30, 2021, compared to \$60.7 million as of September 30, 2020. The decrease of \$0.1 million is explained mainly by the following:

- A net increase of \$2.4 million in the following departmental expenditures, mainly related to the Real Property Portfolio,<sup>1</sup> the partnership between LAC, Ottawa Public Library and the City of Ottawa for a joint facility project (Ādisōke), and the management and maintenance of special-purpose buildings, as detailed below:
  - An increase of \$1.8 million in expenditures for “Professional and special services”;
  - An increase of \$1.0 million in expenditures for “Acquisition of land, buildings and works”; and
  - A decrease of \$0.4 million in expenditures related to “Other subsidies and payments,” mainly for payments in lieu of taxes incurred at the end of the second quarter in 2020–2021, but which will be incurred later in the year in 2021–2022;
- A decrease of \$1.5 million in expenditures related to personnel, mainly for the sunsetting of funding of various initiatives; and
- A net decrease of \$1.0 million mainly related to expenditures for “Other subsidies and payments” due to costs in the process of being reallocated to the appropriate standard object and minor variances in other departmental budgetary expenditures within the organization.

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<sup>1</sup> Including the construction of a new building for the preservation of analog archival holdings in Gatineau.

### **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**

Effective April 1, 2021, a new organizational structure was implemented at LAC; it is largely based on our Vision 2030 initiative and our two priorities: digital optimization and service transformation. The main goal for restructuring is to create a more agile, flexible, resilient and efficient organization that is better prepared to face the new challenges ahead. On August 16, 2021, Amy Buckland joined LAC as the Assistant Deputy Minister, Collections. Other appointments are expected.

There were no other significant changes in the organization's activities and programs during the second quarter, which ended on September 30, 2021.

## **Approval by senior officials**

Original signed by:

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Leslie Weir  
Librarian and Archivist of Canada  
Library and Archives Canada  
Gatineau, Quebec, Canada  
November 16, 2021

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Nancy Taillon  
Acting Assistant Deputy Minister, Corporate  
Services and Chief Financial Officer  
Library and Archives Canada  
Gatineau, Quebec, Canada  
November 4, 2021

**Library and Archives Canada  
Quarterly Financial Report  
For the Quarter Ended September 30, 2021**

**Statement of Authorities (unaudited)**

| <i>(in dollars)</i>  | Fiscal year 2021–2022                                       |  |                                  | Fiscal year 2020–2021                                       |  |                                  |
|--|---|--|----------------------------------|---|--|----------------------------------|
|  | Total available for use for the year ending March 31, 2022* | Used during the quarter ended September 30, 2021 | Year to date used at quarter-end | Total available for use for the year ending March 31, 2021* | Used during the quarter ended September 30, 2020 | Year to date used at quarter-end |
| Vote 1 – Operating Expenditures                                | 104,836,720   | 25,552,644                                       | 52,001,056                       | 107,872,660   | 28,432,584                                       | 53,476,872                       |
| Vote 5 – Capital Expenditures                                  | 40,841,157  | 1,862,447  | 2,758,646                        | 24,205,372  | 1,012,522  | 1,435,791                        |
| Contributions to the employee benefit plans                    | 11,750,446  | 2,937,611  | 5,875,223                        | 11,521,626  | 2,880,406  | 5,760,813                        |
| Spending of proceeds from the disposal of surplus Crown assets | 17,231  | 0  | 0                                | 3,074   | 0  | 0                                |
| <b>Total budgetary authorities</b>                             | <b>157,445,554</b>  | <b>30,352,702</b>                                | <b>60,634,925</b>                | <b>143,602,732</b>  | <b>32,325,512</b>                                | <b>60,673,476</b>                |
| <b>Non-budgetary authorities</b>                               | <b>0</b>  | <b>0</b>   | <b>0</b>                         | <b>0</b>  | <b>0</b>   | <b>0</b>                         |
| <b>Total authorities</b>                                       | <b>157,445,554</b>  | <b>30,352,702</b>                                | <b>60,634,925</b>                | <b>143,602,732</b>  | <b>32,325,512</b>                                | <b>60,673,476</b>                |

\*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 2021–2022   |  |                                     | Fiscal year 2020–2021   |  |                                     |
|---|---|--|-------------------------------------|---|--|-------------------------------------|
|   | Planned expenditures<br>for the year ending<br>March 31, 2022 | Expended during the<br>quarter ended<br>September 30, 2021 | Year to date used<br>at quarter-end | Planned expenditures<br>for the year ending<br>March 31, 2021 | Expended during the<br>quarter ended<br>September 30, 2020 | Year to date used<br>at quarter-end |
| <b>Expenditures:</b>                              |   |  |                                     |   |  |                                     |
| Personnel   | 95,058,350  | 21,622,680   | 44,099,902                          | 90,935,510  | 23,336,782   | 45,612,637                          |
| Transportation and communications                 | 474,305   | 27,443   | 45,638                              | 505,248   | 34,150   | 62,940                              |
| Information                                       | 244,646   | 60,471   | 67,131                              | 284,868   | 35,676   | 47,893                              |
| Professional and special services                 | 8,429,883   | 4,313,932  | 5,998,785                           | 15,419,658  | 2,683,674  | 4,173,710                           |
| Rentals   | 1,037,451   | 331,193  | 2,139,815                           | 1,228,010   | 1,007,282  | 2,496,481                           |
| Repair and maintenance                            | 5,044,709   | 203,592  | 213,368                             | 1,077,591   | 126,486  | 158,608                             |
| Utilities, materials and supplies                 | 5,240,414   | 725,806  | 875,214                             | 5,226,861   | 427,600  | 498,554                             |
| Acquisition of land, buildings and works          | 36,689,298  | 927,885  | 1,410,815                           | 19,387,907  | 371,518  | 444,946                             |
| Acquisition of machinery and equipment            | 650,780   | 72,867   | 160,206                             | 1,164,989   | 42,414   | 42,582                              |
| Transfer payments                                 | 1,500,000   | 481,353  | 1,951,995                           | 1,500,000   | 288,110  | 2,145,470                           |
| Other subsidies and payments                      | 8,075,718   | 1,613,145  | 3,733,127                           | 7,422,090   | 3,983,475  | 5,002,333                           |
| <b>Total gross budgetary expenditures</b>         | <b>162,445,554</b>  | <b>30,380,367</b>  | <b>60,695,996</b>                   | <b>144,152,732</b>  | <b>32,337,167</b>  | <b>60,686,154</b>                   |
| <b>Less Revenues netted against expenditures:</b> |   |  |                                     |   |  |                                     |
| Responsible revenues                              | 5,000,000   | 27,665   | 61,071                              | 550,000   | 11,655   | 12,678                              |
| <b>Total Revenues netted against expenditures</b> | <b>5,000,000</b>  | <b>27,665</b>  | <b>61,071</b>                       | <b>550,000</b>  | <b>11,655</b>  | <b>0</b>                            |
| <b>Total net budgetary expenditures</b>           | <b>157,445,554</b>  | <b>30,352,702</b>  | <b>60,634,925</b>                   | <b>143,602,732</b>  | <b>32,325,512</b>  | <b>60,673,476</b>                   |