



# Quarterly Financial Report for the Quarter Ended June 30, 2022

**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 2022–2023 [Main Estimates](#).

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.

### 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](#) for the 2022–2023 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 June 30, 2022, are \$222.3 million, compared to \$150.8 million as of June 30, 2021. The following table provides the detailed list of authorities by fiscal year:

<b>Authority Vote/Statutory</b>	<b>Description</b>	<b>For the quarter ended June 30, 2022</b>	<b>For the quarter ended June 30, 2021</b>
Vote 1	Operating Expenditures	120,864,333	105,773,897
Vote 1	Revenue credited to the vote	(4,200,000)	(5,000,000)
Vote 5	Capital Expenditures	93,384,668	38,228,642
Statutory	Spending of proceeds from the disposal of surplus Crown assets	16,514	2,609
Statutory	Contributions to employee benefit plans	12,274,023	11,750,446
<b>Total authorities</b>		<b>222,339,538</b>	<b>150,755,594</b>

The net increase of \$71.5 million in funding results mainly from the following:

- An increase of \$44.6 million for the Real Property Portfolio (including \$36.1 million for the substantial completion payment for the construction of a new building for the preservation of analog archival holdings in Gatineau, Quebec);
- An increase of \$22.2 million for the partnership between LAC, Ottawa Public Library and the City of Ottawa for the Ādisōke project (including \$19.3 million in additional construction contingency costs for this joint facility);
- An increase of \$4.8 million for the implementation of the Federal Pathway response to Missing and Murdered Indigenous Women and Girls (Budget 2021);
- An increase of \$0.7 million for salary adjustments following the ratification of collective agreements; and
- A decrease of \$1.1 million for the sunsetting of funding for the private records of the Right Honourable Stephen Harper.

## 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 \$64.9 million as of June 30, 2022, compared to \$30.3 million as of June 30, 2021. The increase of \$34.6 million is explained mainly by the following:

- A net increase of \$38.0 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 (joint facility), as detailed below:
  - An increase of \$37.5 million in expenditures for “Acquisition of land, buildings and works” (including \$36.1 million for the substantial completion payment for the construction of a new building for the preservation of analog archival holdings in Gatineau, Quebec);
  - An increase of \$0.3 million in departmental expenditures related to “Professional and special services”; and
  - An increase of \$0.2 million in departmental expenditures related to “Utilities, materials and supplies”;
- A decrease of \$1.8 million in expenditures for “Other subsidies and payments,” mainly due to costs in the process of being reallocated to the appropriate standard object;
- A decrease of \$1.5 million in expenditures related to personnel, mainly for salary adjustments following the ratification of collective agreements, as well as a higher turnover of personnel;
- A decrease of \$0.2 million in expenditures related to “Transfer payments,” mainly due to the timing of contribution payments for the Indigenous languages and cultures initiative; and
- A net increase of \$0.1 million related mainly to minor variances in the organization’s other departmental budgetary expenditures.

## 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 first quarter, which ended on June 30, 2022.

#### **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  
August 3, 2022

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Nancy Taillon  
Acting Assistant Deputy Minister,  
Corporate Services, and Chief Financial Officer  
Library and Archives Canada  
Gatineau, Quebec, Canada  
August 1, 2022

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**Statement of Authorities (unaudited)**

<i>(in dollars)</i>	Fiscal year 2022–2023			Fiscal year 2021–2022		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2022*	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Vote 1 – Operating Expenditures	116,664,333	23,252,654	23,252,654	100,773,897	26,448,412	26,448,412
Vote 5 – Capital Expenditures	93,384,668	38,584,756	38,584,756	38,228,642	896,199	896,199
Contributions to the employee benefit plans	12,274,023	3,068,506	3,068,506	11,750,446	2,937,612	2,937,612
Spending of proceeds from the disposal of surplus Crown assets	16,514	0	0	2,609	0	0
<b>Total budgetary authorities</b>	<b>222,339,538</b>	<b>64,905,916</b>	<b>64,905,916</b>	<b>150,755,594</b>	<b>30,282,223</b>	<b>30,282,223</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>222,339,538</b>	<b>64,905,916</b>	<b>64,905,916</b>	<b>150,755,594</b>	<b>30,282,223</b>	<b>30,282,223</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 2022–2023			Fiscal year 2021–2022		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
<b>Expenditures:</b>						
Personnel	94,100,846	20,984,422	20,984,422	91,145,353	22,477,222	22,477,222
Transportation and communications	690,278	81,585	81,585	474,305	18,195	18,195
Information	244,646	8,255	8,255	244,646	6,660	6,660
Professional and special services	7,423,909	2,003,797	2,003,797	8,280,057	1,684,853	1,684,853
Rentals	1,072,549	1,640,896	1,640,896	1,030,140	1,808,622	1,808,622
Repair and maintenance	8,424,975	106,622	106,622	5,044,709	9,776	9,776
Utilities, materials and supplies	6,381,780	337,372	337,372	5,233,103	149,408	149,408
Acquisition of land, buildings and works	51,722,163	37,982,545	37,982,545	34,076,783	482,930	482,930
Acquisition of machinery and equipment	715,792	249,459	249,459	650,780	87,339	87,339
Transfer payments	3,520,500	1,217,528	1,217,528	1,500,000	1,470,642	1,470,642
Other subsidies and payments	52,242,100	326,588	326,588	8,075,718	2,119,982	2,119,982
<b>Total gross budgetary expenditures</b>	<b>226,539,538</b>	<b>64,939,069</b>	<b>64,939,069</b>	<b>155,755,594</b>	<b>30,315,629</b>	<b>30,315,629</b>
<b>Less Revenues netted against expenditures:</b>						
Responsible Revenues	4,200,000	33,153	33,153	5,000,000	33,406	33,406
<b>Total Revenues netted against expenditures</b>	<b>4,200,000</b>	<b>33,153</b>	<b>33,153</b>	<b>5,000,000</b>	<b>33,406</b>	<b>33,406</b>
<b>Total net budgetary expenditures</b>	<b>222,339,538</b>	<b>64,905,916</b>	<b>64,905,916</b>	<b>150,755,594</b>	<b>30,282,223</b>	<b>30,282,223</b>