



Quarterly Financial Report for the Quarter ended December 31, 2018



Introduction

This Quarterly Report has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) and in the manner prescribed by the Treasury Board. This report should be read in conjunction with the Main Estimates and Supplementary Estimates.

A summary description of the Parole Board of Canada (PBC), its Raison d'être and core responsibilities can be found in [Part II of the Main Estimates](#).

This Quarterly Report has not been subject to an external audit or review.

Basis of Presentation

This Quarterly Report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the PBC's spending authorities granted by Parliament and those used by the department. Authorities include amounts granted through the Main Estimates and Supplementary Estimates for the 2018-19 fiscal year and any spendable revenue earned and available for use to quarter end. This quarterly report has 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 moneys 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.

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

Highlights of Fiscal Quarter and Fiscal Year to Date Results

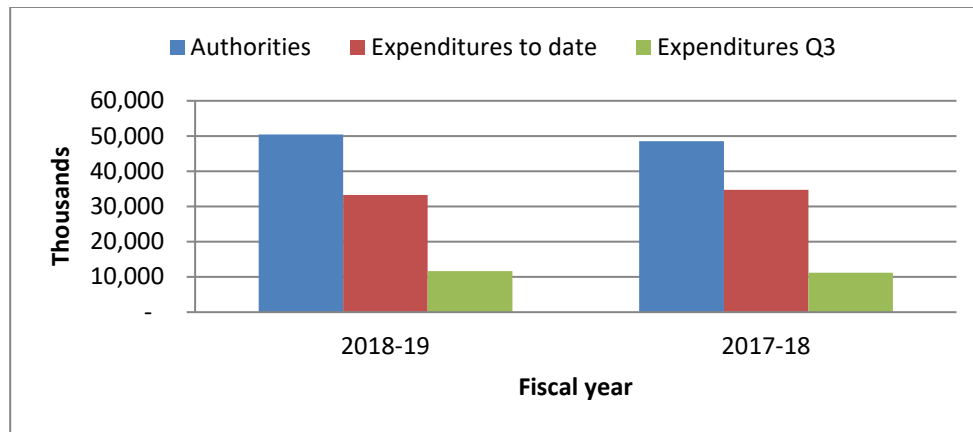
Significant Changes to Authorities

Since September 30, 2018, PBC's total authorities available for the year have increased by \$0.9 million from \$50.5 million to \$51.4 million following funding received for negotiated salary adjustments of \$0.8 million and \$0.1 million for the stabilizing pay administration. As at December 31, 2018, the total authorities available for the year have increased by 5.7% or \$2.8 million to \$51.4 million compared to the same period last year.

Significant Changes to Gross Budgetary Expenditures

As illustrated in Figure 1, the PBC has spent approximately 65% of its authorities at the end of the third quarter, which is lower than last year's rate of 72%. This result is mostly attributable to retroactive salary payment paid in 2017-18 and not paid in 2018-19.

Figure 1 – Third Quarter Expenditures Compared to Annual Authorities



Year-to-date gross budgetary expenditures decreased by \$1.3 million or 3% in 2018-19 compared to 2017-18, and revenue increased in 2018-19 by \$0.1 million or 4%, compared to 2017-18. The following paragraphs provide details of key changes.

- Year-to-date personnel expenditures decreased by \$2.0 million, or 6%, in 2018-19 compared to 2017-18. The variance is attributable to the payment of retroactive pay under signed collective agreements last year. During the third quarter 2018-19, personnel expenditures has remained stable with a minimal increase compared to the same quarter of 2017-18.
- Transportation and communication expenditures increased by \$0.1 million or 8%, in 2018-19 compared to 2017-18. The variance is attributable to an increase in relocation and in travel to hearings.
- Professional and special services increased by \$0.5 million or 65% compared to the previous fiscal year. This increase is largely due to a timing difference of when expenditures are recorded in the year. In 2018-19 the total annual estimated legal cost for the first three quarters was paid in the third quarter while in 2017-18 they were paid on a monthly basis. In 2018-19, PBC migrated to a new financial system, this system is more integrated and is hosted by another government department which charges PBC hosting fees.
- Spending on acquisitions of machinery and equipment decreased by \$0.1 million or 27%, in 2018-19 compared to 2017-18. The decrease is mostly attributed to the purchase of the financial system \$0.1 million in the third quarter of 2017-18. The decrease was offset by the purchase of informatics equipment, furniture and office equipment of \$0.1 million in 2018-19.

Significant Changes to Revenues

Revenues recorded increased by \$0.2 million, or 18%, compared with the third quarter of 2017-18, this increase is due to a timing difference of when revenues were recorded. When comparing the year-to date revenue the increase is minimal \$0.1 million or 4%, compared to 2017-18, as volume of applications are very similar to last fiscal year.

Risks and Uncertainties

The PBC receives the majority of its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The PBC also collects user fees for processing record suspension/pardon applications, and has the authority to spend revenues received during the year on related activities. Significant variances in the volume of applications and the revenue collected may occur in response to legislative or policy changes affecting this program.

Significant Changes in Relation to Operations, Personnel and Programs

There have been no significant changes in relation to operations, personnel and programs.

Approval by Senior Officials

Approved by,

Original signed by
Jennifer Oades
Chairperson

Original signed by
Anik Lapointe, CPA, CGA
Chief Financial Officer

Ottawa, Canada
February 21, 2019

Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2018-19		
	Total available for use for the year ending March 31, 2019*	Used during the quarter ended December 31, 2018	Year-to-date used at quarter-end
Vote 1 – Program expenditures	51,331	11,616	32,724
Less revenues netted against expenditures	**5,645	1,390	3,686
Total net Program expenditures	45,686	10,266	29,038
Budgetary statutory authorities – EBP	5,679	1,420	4,259
Total authorities	51,365	11,646	33,297

(in thousands of dollars)	Fiscal year 2017-18		
	Total available for use for the year ending March 31, 2018*	Used during the quarter ended December 31, 2017	Year-to-date used at quarter-end
Vote 1 – Program expenditures	48,639	10,946	34,099
Less revenues netted against expenditures	**5,645	1,168	3,548
Total net Program expenditures	42,994	9,778	30,551
Budgetary statutory authorities – EBP	5,586	1,397	4,189
Total authorities	48,580	11,175	34,740

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

**The amount of revenues netted against expenditures reported in the Main Estimates is based on an estimated amount of 12,000 accepted applications multiplied by the portion of the \$631 user fee that is responsible by PBC (\$470).

Departmental budgetary expenditures by Standard Object (unaudited)

(in thousands of dollars)	Fiscal year 2018-19		
	Planned expenditures for the year ending March 31, 2019*	Expended during the quarter ended December 31, 2018	Year-to-date used at quarter-end
Expenditures			
Personnel	48,458	11,411	33,536
Transportation and communications	3,173	630	1,712
Information	100	2	11
Professional and special services	3,616	838	1,304
Rentals	172	31	105
Repair and maintenance	81	16	44
Utilities, materials and supplies	270	58	99
Acquisition of land, building and works	514	-	-
Acquisition of machinery and equipment	621	75	119
Other subsidies and payments	5	(25)	53
Total gross budgetary expenditures	57,010	13,036	36,983
Less Revenues netted against expenditures:			
User fee revenues netted against expenditures	5,645	1,390	3,686
Total net budgetary expenditures	51,365	11,646	33,297

(in thousands of dollars)	Fiscal year 2017-18		
	Planned expenditures for the year ending March 31, 2018*	Expended during the quarter ended December 31, 2017	Year-to-date used at quarter-end
Expenditures			
Personnel	43,483	11,337	35,500
Transportation and communications	3,960	585	1,579
Information	374	5	7
Professional and special services	5,362	316	790
Rentals	198	25	74
Repair and maintenance	142	23	53
Utilities, materials and supplies	424	32	91
Acquisition of machinery and equipment	265	20	164
Other subsidies and payments**	17	-	30
Total gross budgetary expenditures	54,225	12,343	38,288
Less Revenues netted against expenditures:			
User fee revenues netted against expenditures	5,645	1,168	3,548
Total net budgetary expenditures	48,580	11,175	34,740

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

**Comparative figures have been reclassified to conform to the current year's presentation.