



# Quarterly Financial Report for the Quarter Ended December 31, 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](#) 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:

- 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](#) and [Supplementary Estimates \(A\) and \(B\)](#) 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 December 31, 2022, are \$250.4 million, compared to \$163.6 million as of December 31, 2021. The following table provides the detailed list of authorities by fiscal year:

Authority Vote/Statutory	Description	For the quarter ended December 31, 2022	For the quarter ended December 31, 2021
Vote 1	Operating expenditures	141,789,396	115,716,402
Vote 1	Revenue credited to the vote	(4,200,000)	(5,000,000)
Vote 5	Capital expenditures	98,064,860	40,841,157
Statutory	Spending of proceeds from the disposal of surplus Crown assets	18,045	18,451
Statutory	Contributions to employee benefit plans	14,770,311	12,068,382
<b>Total authorities</b>		<b>250,442,612</b>	<b>163,644,392</b>

The net increase of \$86.8 million in funding results mainly from the following:

- An increase of \$41.6 million for the real property portfolio, mainly explained by a substantial completion payment of \$36.1 million in 2022–2023 for the new Preservation Storage Facility in Gatineau;
- An increase of \$22.2 million for the partnership between LAC, Ottawa Public Library and the City of Ottawa for the Ādisōke project;
- An increase of \$15.7 million for the access to information and litigation support function;
- An increase of \$2.9 million for the implementation of the Federal Pathway to Address Missing and Murdered Indigenous Women and Girls (Budget 2021);
- An increase of \$2.2 million for the implementation of the federal framework to address the legacy of residential schools (Budget 2022);
- An increase of \$2.2 million related to the carry-forward of the operating budget and the carry-forward of the capital budget;
- An increase of \$0.8 million for salary adjustments following the ratification of collective agreements; and
- A decrease of \$1.1 million for the sunseting 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 \$139.7 million as of December 31, 2022, compared to \$84.9 million as of December 31, 2021. The increase of \$54.8 million is explained mainly by the following:

- A net increase of \$50.5 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:
  - An increase of \$46.2 million in expenditures for “Acquisition of land, buildings and works” (including \$36.1 million for the substantial completion payment for the Preservation Storage Facility<sup>1</sup> and other expenses mainly for the Ādisōke project in Ottawa, Ontario);
  - An increase of \$3.3 million in departmental expenditures related to “Professional and special services”;
  - An increase of \$3.2 million in expenditures for “Public debt charges,” mainly for the portion related to interest payments for the Preservation Storage Facility; and
  - A decrease of \$2.2 million in expenditures for “Other subsidies and payments,” mainly due to the timing of payments in lieu of taxes;
- A net increase of \$2.1 million in departmental expenditures, mainly for activities related to the acquisition, preservation and accessibility of documentary heritage, as detailed below:
  - An increase of \$1.1 million in expenditures related to the “Acquisition of machinery and equipment”;
  - An increase of \$0.5 million in expenditures related to the maintenance and rental of equipment; and
  - An increase of \$0.5 million in expenditures related to “Utilities, materials and supplies”;
- A net increase of \$1.4 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 Pathway to Address Missing and Murdered Indigenous Women and Girls (Budget 2021); and
  - The private records of the Right Honourable Stephen Harper.

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<sup>1</sup> New building constructed for the preservation of analog archival holdings in Gatineau, Quebec.

### **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**

Nancy Taillon has been appointed Assistant Deputy Minister, Corporate Services and Chief Financial Officer. She had held this position on an acting basis since 2020.

There were no other significant changes in the organization's personnel, activities and programs during the third quarter, which ended on December 31, 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  
February 9, 2023

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Nancy Taillon  
Assistant Deputy Minister,  
Corporate Services and Chief Financial Officer  
Library and Archives Canada  
Gatineau, Quebec, Canada  
February 7, 2023

**Library and Archives Canada  
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**Statement of Authorities (unaudited)**

<i>(in dollars)</i>	<b>Fiscal year 2022–2023</b>			<b>Fiscal year 2021–2022</b>		
	<b>Total available for use for the year ending March 31, 2023*</b>	<b>Used during the quarter ended December 31, 2022</b>	<b>Year-to-date used at quarter-end</b>	<b>Total available for use for the year ending March 31, 2022*</b>	<b>Used during the quarter ended December 31, 2021</b>	<b>Year-to-date used at quarter-end</b>
Vote 1 – Operating Expenditures	137,589,396	28,331,624	79,944,800	110,716,402	19,715,748	71,716,804
Vote 5 – Capital Expenditures	98,064,860	6,947,227	50,584,887	40,841,157	1,636,681	4,395,327
Contributions to the employee benefit plans	14,770,311	3,068,506	9,205,517	12,068,382	2,937,611	8,812,834
Spending of proceeds from the disposal of surplus Crown assets	18,045	-	4,961	18,451	-	-
<b>Total budgetary authorities</b>	<b>250,442,612</b>	<b>38,347,357</b>	<b>139,740,165</b>	<b>163,644,392</b>	<b>24,290,040</b>	<b>84,924,965</b>
<b>Non-budgetary authorities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total authorities</b>	<b>250,442,612</b>	<b>38,347,357</b>	<b>139,740,165</b>	<b>163,644,392</b>	<b>24,290,040</b>	<b>84,924,965</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>	<b>Fiscal year 2022–2023</b>			<b>Fiscal year 2021–2022</b>		
	<b>Planned expenditures for the year ending March 31, 2023</b>	<b>Expended during the quarter ended December 31, 2022</b>	<b>Year-to-date used at quarter-end</b>	<b>Planned expenditures for the year ending March 31, 2022</b>	<b>Expended during the quarter ended December 31, 2021</b>	<b>Year-to-date used at quarter-end</b>
<b>Expenditures:</b>						
Personnel	107,242,758	23,177,564	66,002,134	97,798,872	20,470,791	64,570,693
Transportation and communications	940,276	128,527	294,218	658,710	37,715	83,353
Information	295,795	6,771	94,357	244,646	10,627	77,758
Professional and special services	11,988,470	5,826,872	11,798,626	9,409,731	2,516,912	8,515,697
Rentals	1,546,188	518,282	3,303,468	1,059,953	663,254	2,803,069
Repair and maintenance	10,255,624	190,548	417,541	5,044,709	93,306	306,674
Utilities, materials and supplies	7,803,738	902,069	1,894,545	5,253,073	515,153	1,390,367
Acquisition of land, buildings and works	55,402,355	6,200,573	48,522,239	36,689,298	901,236	2,312,051
Acquisition of machinery and equipment	3,404,808	448,448	1,225,291	709,682	15,476	175,682
Transfer payments	3,520,500	485,468	2,213,118	1,500,000	185,560	2,137,555
Public debt charges	-	1,411,850	3,233,219	-	-	-
Other subsidies and payments	52,242,100	-454,777	1,646,518	10,275,718	93,278	3,826,405
<b>Total gross budgetary expenditures</b>	<b>254,642,612</b>	<b>38,842,195</b>	<b>140,645,274</b>	<b>168,644,392</b>	<b>25,503,308</b>	<b>86,199,304</b>
<b>Less Revenues netted against expenditures:</b>						
Responsible Revenues	4,200,000	494,838	905,109	5,000,000	1,213,268	1,274,339
<b>Total Revenues netted against expenditures</b>	<b>4,200,000</b>	<b>494,838</b>	<b>905,109</b>	<b>5,000,000</b>	<b>1,213,268</b>	<b>1,274,339</b>
<b>Total net budgetary expenditures</b>	<b>250,442,612</b>	<b>38,347,357</b>	<b>139,740,165</b>	<b>163,644,392</b>	<b>24,290,040</b>	<b>84,924,965</b>