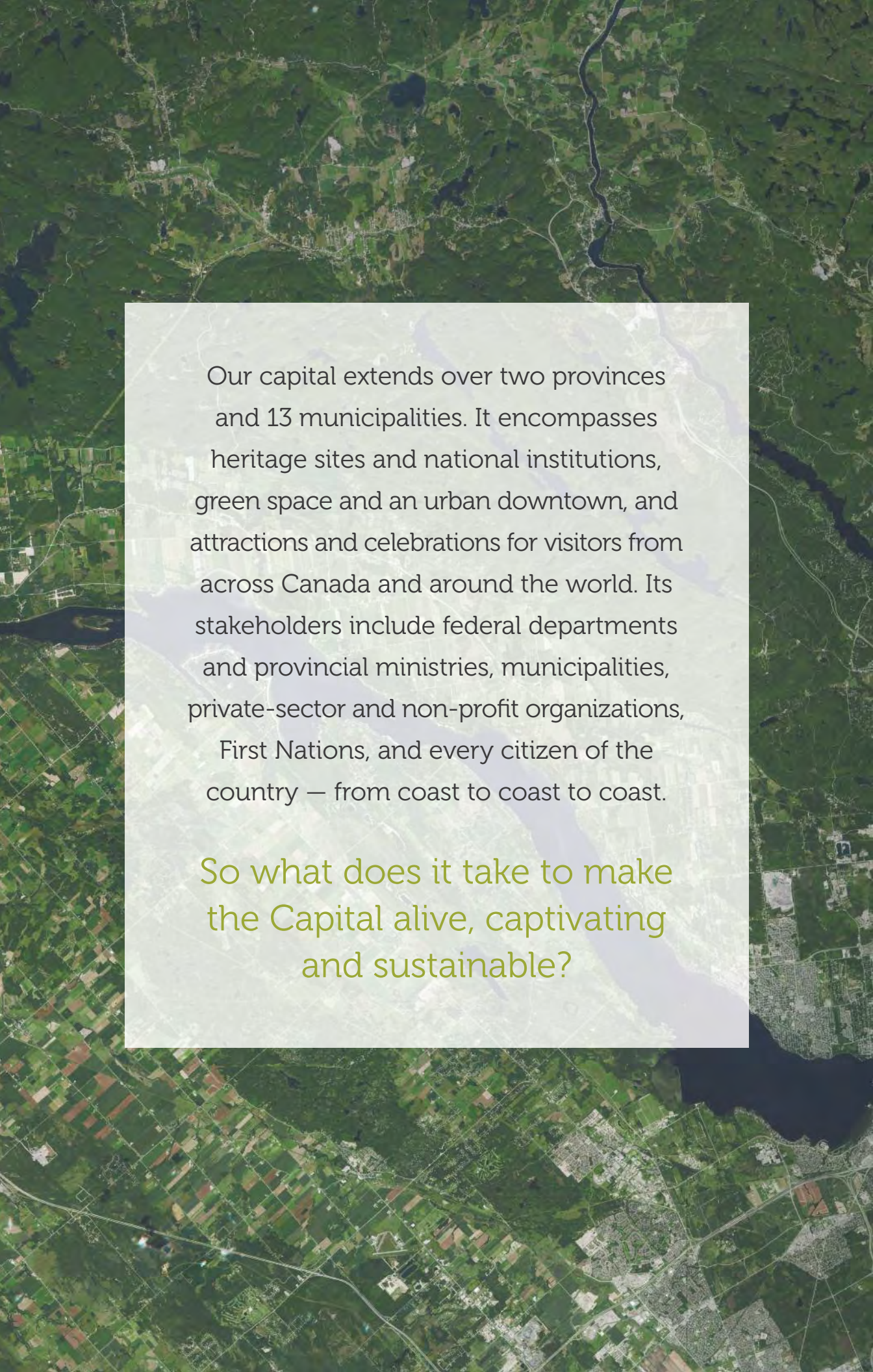




What It Takes

An aerial photograph of a river valley, likely the Ottawa River, showing a mix of green fields, forests, and some urban development. A semi-transparent white rectangular box is centered over the image, containing text. The text is in a dark, sans-serif font, with the second paragraph in a green color.

Our capital extends over two provinces and 13 municipalities. It encompasses heritage sites and national institutions, green space and an urban downtown, and attractions and celebrations for visitors from across Canada and around the world. Its stakeholders include federal departments and provincial ministries, municipalities, private-sector and non-profit organizations, First Nations, and every citizen of the country — from coast to coast to coast.

So what does it take to make the Capital alive, captivating and sustainable?

An aerial photograph of a city, likely Ottawa, showing the Ottawa River winding through the urban landscape. The city is surrounded by green fields and forests. The text is overlaid on the image.

It takes
engagement,
fresh thinking,
leadership,
passion.

It takes the involvement of
all Canadians — to make sure
that the Capital reflects
their identities and aspirations,
both today and for years to come.

A person wearing a light-colored long-sleeved shirt is writing on a whiteboard. The whiteboard has a black frame and is mounted on a wall. The person's right hand is holding a white marker and is in the process of writing the word 'the' in cursive. The word 're-creating' is already written above it. The person's left hand is holding the top-left corner of the whiteboard frame. The background is a dark, solid color.

re-creating
the

It takes a spirit of engagement

How do you develop a long-term plan for the Capital that reflects the values of all Canadians — in a country of 34 million people spread across nearly 10 million square kilometres?

By finding new and innovative ways to reach out.

PLANNING THE CAPITAL'S FUTURE TOGETHER

When it came time to update the 50-year Plan for Canada's Capital, "Horizon 2067," the National Capital Commission (NCC) could not envision doing so without first hearing from Canadians. In 2011, the NCC embarked on its most ambitious engagement campaign to date, reaching out to Canadians through online surveys, social media, display kiosks and "Capital Conversations" ❶ in eight cities across Canada, including Ottawa. These events, which were open to the public, allowed prominent Canadians and international experts in areas such as urban planning, architecture and transportation to share their thoughts on the future of the Capital. Targeted conversations with youth, new Canadians and the Aboriginal community further enriched the dialogue by bringing their perspectives to the forefront.

Canadians greatly appreciated the opportunity to have their say, with thousands contributing ideas on what the Capital should become. The level of public participation and wealth of feedback that has been collected will ensure that "Horizon 2067" is a plan truly made by Canadians, for Canadians.

LISTENING TO FIRST NATIONS

The Capital is home to two Algonquin communities: the Pikwàkanagàn and the Kitigan Zibi Anishinabeg. To ensure that "Horizon 2067" represents the perspectives of these two communities — and those of *all* First Nations, Metis and Inuit — the NCC held an Aboriginal Peoples Dialogue in September 2011. That event complemented the NCC's ongoing work to showcase Aboriginal culture in the Capital, whether as part of Canada Day, the Juno Awards, or the *Mosaika* Sound and Light Show.

REACHING OUT TO YOUTH

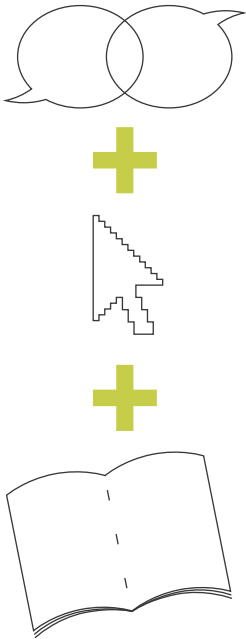
The NCC continues to expand its work with youth. The Capital Think Tank entered its third year, with ideas from its workshops helping inform "Horizon 2067." More than 7,000 youth have participated since 2009. The NCC also called on young photographers to contribute to Eco Art's second season, with the winning photos displayed on the Rideau Canal Skateway ❷.

BEYOND "HORIZON 2067"

The work around the Plan for Canada's Capital was not the only outreach the NCC engaged in last year. A total of eight public consultations (consisting of 44 separate meetings) were held on a number of strategic plans and studies, including those related to outdoor recreational activities and transit in Gatineau Park, the protection of the ecological corridors surrounding the park, the Greenbelt Master Plan, interprovincial crossings, and the use of electric bikes on the Capital's pathways.

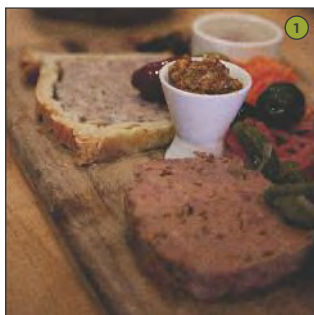


Whether in person or online, the NCC heard from some 23,000 Canadians on the Plan for Canada's Capital. And through social media and its partnership with *Canadian Geographic*, the NCC was able to further expand its reach, delivering information about the plan to an estimated 4 million Canadians.



The NCC communicates with millions of Canadians through an innovative mix of tools.

It takes a fresh approach to doing business

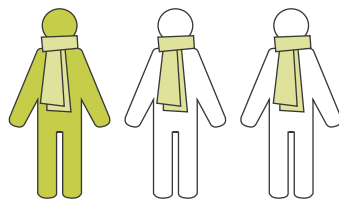


ADAPTING TO NEW REALITIES

The 2012 edition of Winterlude marked the second year of a new business model for the event: one that shifts the NCC's role from sole producer to coordinator, cultivating relationships with external organizations to both sustain and expand the scope of the event. The NCC brought on 33 new Winterlude partners in 2012 — bringing the total to 55 across both the private and the public sectors — to animate the Capital in winter like never before.

While traditional outdoor events remained the core of Winterlude, visitors could also partake in a slate of indoor activities showcasing Canada's cultural and artistic diversity — perfect for when the ice thins and the snow starts to melt. Demonstrating the "outside-the-box" thinking that will be applied to Winterlude in the future, this year's lineup included winter-inspired gourmet dining at restaurants around the Capital ①, "Cool Science" workshops at the Canada Science and Technology Museum, and a comedy fundraiser at the National Arts Centre.

Some 695,000 people attended Winterlude 2012 — 38 percent of whom were visitors from outside Canada's Capital Region — making it one of the best-attended editions of the event to date. These participants were among the first to use the beautiful new chalets along the Rideau Canal Skateway — modern facilities expected to last for the next 35 years.



One third of Winterlude visitors are from outside the Capital Region.



When faced with finite resources and an increasingly unpredictable climate, how do you successfully mount one of Canada’s most popular winter festivals?

By calling on the creativity of partners — and moving part of the celebrations indoors.

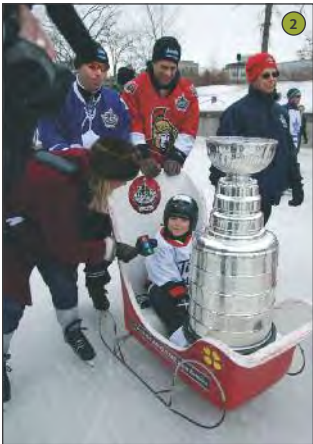
BRINGING LORD STANLEY TO THE CAPITAL

An innovative partnership with the National Hockey League (NHL) also helped shine the spotlight on the Capital during the 2012 NHL All-Star Game, held in Ottawa in January. This partnership brought a number of events celebrating Canada’s national winter sport to the Capital, including a procession of iconic NHL trophies down the Rideau Canal Skateway 2.

CREATING CLOSER MUNICIPAL CONNECTIONS

Two key partners of the NCC are, as always, the cities of Ottawa and Gatineau 3. To build a capital that emphasizes sustainable mobility, a solid working relationship with both municipalities is key. Last year, the NCC and the cities collaboratively established a new five-year agenda on cycling, and determined how best to maximize the three parties’ collective resources.

And with 2017 fast-approaching, the NCC is collaborating with the two cities, as well as a number of federal partners, to ensure that the Capital becomes a focal point of national celebrations for the 150th anniversary of Confederation. The NCC and the cities have agreed to meet regularly and to share these plans and collaborate on joint initiatives.



It takes the willingness to lead

How do you stimulate support for new initiatives that push the envelope and break new ground?

By being innovative — clearing the way so that others can see what is possible, be inspired to join in and, at times, take the lead.



PERSISTENCE PAYS OFF

The NCC officially launched the BIXI bike share program in May 2011, starting with 100 bikes across 10 stations throughout the Capital ①. Following the overwhelming success of year one — in which some 16,000 cyclists took to the road on a BIXI bike — the NCC sought to grow the program for 2012.

To attract the partners needed to expand BIXI, the NCC shaped an innovative business proposition with key partners such as the cities of Gatineau and Ottawa. Making BIXI a clear win-win helped draw the funds required to build out its infrastructure and attract other partners, including the Canadian Museum of Nature. As a result, Capital BIXI more than doubled in size prior to the 2012 cycling season.

SMALL PROJECTS, BIG RETURNS

BIXI represents an example of “going out there and doing it” — demonstrating on a small scale how a larger vision can be achieved. The NCC is putting this into practice more frequently, as it seeks new ways to animate the Capital. A case in point last year was the “myCapital” initiative, which began by asking NCC staff to suggest ways of enlivening the Capital during the summer. The proposal that went ahead was to place a set of Muskoka chairs in a plaza overlooking the Rideau Canal, just steps from Parliament Hill. Based on the success of this simple, low-cost initiative, the NCC scaled up the “myCapital” initiative by calling on businesses and the public alike to submit their ideas about how to animate the Rideau Canal shoreline. Several of the ideas received will be put in place in summer 2012.

TAKING ADVANTAGE OF TECHNOLOGY

The NCC has also taken the lead in making innovative use of technology to enhance its approach to visitor information services. In addition to redesigning its website to make it easier to use, the NCC continued work on implementing Wi-Fi throughout the core of the Capital. It also moved the Capital Infocentre in late 2011, and reinvented the service to reach more people in better ways. In its place, the NCC will send roving interpreters with electronic tablets into the streets to provide immediate, on-the-spot information and interpretation. Work also began on an ambitious project with Canadian Heritage to create smartphone applications that provide virtual guided tours of the Capital ②.



By the end of the 2011 season, BIXI had generated more than \$134,000 in revenue — far exceeding the NCC’s initial expectations. In total, 21,958 cycling trips were taken among 173 riders with memberships and 7,384 occasional users.



10 stations



100 bikes

16,000 cyclists

It takes the passion to make it happen

How do you handle the double privilege of hosting the world's most famous newlyweds and producing a national celebration that touches the hearts of Canadians?

With clear intentions and quick action — and the desire to show the vibrant side of the Capital to the world.



RIISING TO THE OCCASION

With the NCC self-producing both the noon and evening shows on Parliament Hill for the first time, the expectations for Canada Day 2011 were already high. But the pressure increased even more when it was learned that Their Royal Highnesses Prince William and Catherine, The Duke and Duchess of Cambridge would attend as part of their first official visit to Canada. Quickly expanding its capacity for security, crowd management and media access, the NCC successfully pulled off a record-breaking celebration: 300,000 people took in the noon show, while overall attendance broke the half-million mark ❶.

The presence of the royal couple at Canada Day brought significant international media attention to the Capital. Both the noon and evening shows were broadcast around the world, while 1,200 representatives from a record 125 media outlets were in attendance on Parliament Hill.

CELEBRATING OUR HISTORY

Part of the NCC’s role is to honour Canada’s heroes and our defining historic moments. Last year, work was completed on the Royal Canadian Navy Monument ❷, while work continued on the Canadian Firefighters Memorial. Both will be unveiled in 2012. And, in collaboration with a number of federal partners, planning also began on several new commemorations, including the Holocaust and War of 1812 monuments.

BREATHING NEW LIFE INTO HERITAGE SITES

The NCC manages more than 200 heritage sites — and the Capital is a more vibrant place when these properties are in use and accessible by the public. In 2011, the NCC selected a partner to help revitalize the Moore Farm Estate in Gatineau, a property that had sat vacant for 20 years. An educational farm and themed events will be part of its new raison d’être. And, in early 2012, the NCC oversaw the re-opening of the Thompson-Perkins Mill. Following a substantial investment to rehabilitate the exterior of the 140-year-old building, the Mill’s new tenant — Toronto’s Mill Street Brew Pub ❸ — will help attract more people to one of the Capital’s historic districts.



Canada Day was not the only event to experience significant crowds. The award-winning sound and light show, *Mosaika*, was seen by more than 245,000 people last summer — almost a 15 percent increase over 2010.

Unique programming and events celebrate the Canadian experience and ensure that record crowds are drawn to Canada’s Capital.



Corporate social responsibility

ENVIRONMENTAL SUSTAINABILITY

Last year, the NCC made several strides toward environmental sustainability. The 2011 Canada Day celebrations saw 50 percent of its waste diverted from landfill, doubling the rate from 2009. And both Winterlude and the Rideau Canal Skateway became carbon neutral in the winter of 2012. To reach its internal goal of diverting 70 percent of office waste, the NCC rolled out a new user-friendly compost collection system in its offices and buildings throughout the Capital.

Also in 2011–2012, the NCC created a “green team” for Rideau Hall, conducting workshops on how to improve energy efficiency at the governor general’s residence. Lessons learned at Rideau Hall will also be applied to all NCC projects moving forward. Implementation of a sustainable agriculture strategy saw tenants in the Capital’s Greenbelt encouraged to adopt innovative farming techniques compatible with an “urban agriculture” approach to food supply. These initiatives were undertaken as part of the NCC’s environmental strategy, *Building a Greener Capital*, and its five key action areas of reducing waste, enhancing biodiversity, preventing pollution, leading in environmental practices and combatting climate change.

ACCESSIBILITY

A new external advisory committee was established to ensure that best practices in universal accessibility are considered in all NCC projects. With half its membership coming from outside the organization, this committee will offer valuable perspectives on design and planning so that all Canadians, regardless of physical ability, can enjoy everything the Capital has to offer.

DIVERSITY

As part of its new Employment Equity Action Plan, the NCC pursued its diversity training program in September 2011. More than 200 employees have been trained in areas such as impartial staffing, diversity at work, and cross-cultural awareness and communication. The NCC also introduced the Agent of Change Award to recognize outstanding achievements in diversity. The inaugural winner was Rene Tenasco, Liaison Officer for Aboriginal Affairs, for his work in promoting Aboriginal culture in the Capital.

ETHICS

The NCC launched its first employee code of conduct in June 2011, and all personnel attended a mandatory information session. Following extensive consultations with more than 200 employees, five core values were established for the organization: respect, well-being, commitment, fairness and honesty.

WORKPLACE

The NCC was selected in 2012 as one of the Top Capital Employers, in recognition of the benefits and work environment it offers to employees. A survey across the federal public sector in 2011 revealed that the NCC scored higher than average on employee satisfaction. Among the findings, employees were proud of working for the NCC (90 percent), willing to make the additional effort to complete their work (92 percent), could communicate in the language of their choosing with supervisors (93 percent) and would recommend the NCC as a workplace to others (80 percent).

HERITAGE

The NCC completed its Cultural Heritage Conservation Strategic Plan in 2011–2012, providing a framework for identifying and protecting Gatineau Park's heritage sites. It is also working with the Algonquin community to document the oral history of the area. With respect to physical heritage sites, last year the NCC completed major rehabilitation work on the historic Dome Building at Rideau Hall.

At the NCC, we are committed to advocating environmentally sustainable practices • protecting cultural and heritage treasures • planning a universally accessible capital • fostering a diverse and culturally aware workforce • implementing a code of conduct for employees • being a great place to work.

www.canadascapital.gc.ca

202-40 Elgin Street, Ottawa, Canada K1P 1C7

Email: info@ncc-ccn.ca • Fax: 613-239-5063

Telephone: 613-239-5000 • Toll-free: 1-800-465-1867

TTY: 613-239-5090 • Toll-free TTY: 1-866-661-3530

Unless otherwise noted, all imagery is the property of the National Capital Commission.

To reduce environmental impacts, a limited number of printed reports have been produced. In lieu of additional printed copies, a PDF version of this report can be downloaded at www.canadascapital.gc.ca/annual-report.

Printed on Rolland Enviro100 Print, which contains 100% post-consumer fibre, is Environmental Choice, Processed Chlorine Free, as well as FSC Recycled certified, and manufactured in Quebec by Cascades using biogas energy.



National Capital Commission
2011-2012 Annual Report: Near and Far
Catalogue number: W91-2012

+FSC certification (to come)



Message from the CEO	1
Message from the Chair	3
Governance	4
Management discussion and analysis	11
Financial statements	43
Appendices	79



Canadians care about their capital. They see it as a reflection of themselves, as well as the country's face to the world — and as a place where the nation's story is kept and told.

One of the most gratifying insights to come from our public consultations on the renewal of the 50-year Plan for Canada's Capital was that 75 percent of Canadians — no matter where they live — felt it was important that they have a say in the Capital's future.

We took innovative steps to give them their say. In gathering input for "Horizon 2067," the latest Plan for Canada's Capital, we reached out to more Canadians than ever before. In particular, our partnership with The Royal Canadian Geographical Society and our overall marketing approach helped us reach millions of Canadians. It bolstered the Capital's online presence, and brought it into school curricula.

This partnership — and others like it — illustrates what we seek to accomplish through such agreements: to increase our delivery capacity; to learn from other organizations; to achieve efficiencies which ensure that celebrations such as Canada Day and Winterlude will be enjoyed by Canadians for generations to come.

Breathing new life into our business model isn't easy, though. It can be a challenge to set priorities when everything seems worthy — yet prioritizing is essential. To that end, we held a full-day "open space" forum in June 2011 that gave our employees the opportunity to share their thoughts on our strategic priorities — and how they can be better communicated throughout the organization for more focused action.

We also appreciate that, to fulfill our priorities, we have to be pragmatic, entrepreneurial and innovative, as well as mindful of the economic context in which we and our partners operate. The BIXI bike share service was a great example of this in 2011–2012. The NCC led the way in introducing conditions that will help attract partners and ensure the future viability of this initiative.

In other cases, we see the need to undertake smaller-scale pilots that can contribute just as much to our mandate as do the larger projects for which we're typically known. The "myCapital" initiative was a good example of this. The installation of a simple set of Muskoka chairs downtown was a resounding success, with some 97 percent of those who visited the site saying that it enhanced their experience.

All of this is the product of a culture shift we have been effecting — and continue to effect — within the NCC. It's a new perspective on how we do business. We will continue this work going forward to ensure that the NCC remains a nimble and productive organization, as well as the hub of creative partnerships and "animating" ideas — and that the Capital continues to be a place Canadians feel proud to call their own.

Finally, I'd like to extend my congratulations to Russell Mills, who has been reappointed chair of the NCC until 2017. Mr. Mills has been an incredible source of support to me over the past four years — and our mandate of building a capital for all Canadians would be unachievable without the dedication and professionalism displayed by the Board of Directors and our exceptional team.



Marie Lemay, P.Eng., ing
Chief Executive Officer



For the Board of Directors of the National Capital Commission, 2011–2012 was another busy year. At our strategic planning session last fall, we confirmed the organization's two primary directions: creating a vibrant, sustainable capital that inspires Canadians; and communicating the Capital's importance to all Canadians. We also identified several areas of focus that will help us achieve these directions, from creating more public meeting places (and better connecting these places) to undertaking more short-term pilot projects and working more closely with our partners.

As I begin my second mandate as chair of the NCC, one of the Board's immediate priorities will be to complete the development of "Horizon 2067." Recognizing that the Capital belongs to *all* Canadians, the NCC sought to actively involve people from across the country in the planning process. Through a series of online and public consultations, we made sure that Canadians from all walks of life were able to contribute their thoughts and perspectives to the visionary blueprint for what the Capital will eventually become.

Moving forward, other top priorities will include completing the environmental assessment of a proposed bridge spanning the Ottawa River, developing the Capital's shorelines and planning the celebrations for Canada's 150th anniversary, which will require considerable time and energy as we get ever closer to this important milestone.

In all these activities, collaboration will be a core value that drives this organization. Our commitments to openness and transparency will also remain vitally important. In 2011–2012, the Board held six public meetings — five more than what is usually held in many organizations each year. In addition, the Board received the third annual report from the NCC Ombudsman, Laura Bruneau. The role of the ombudsman is essential in that it affords the public the opportunity to voice their concerns. Of the 101 public contacts documented in the report, only four required the Ombudsman to open a file. As of June 1, 2012, Ellen Fry will become our new ombudsman. I would like to publicly thank Ms. Bruneau for establishing the Ombudsman Office at the NCC and for her diligence in fulfilling her responsibilities.

I must also acknowledge the passing of two great Canadians who contributed so much to the Capital: Pierre Juneau, Chair of the Commission from 1976 to 1978, who articulated a vision of the Capital that reflects the values of all Canadians (and the man after whom the Juno Awards were named, an event held in the Capital earlier this spring); and Jean Pigott, Chair from 1985 to 1992, whose passion and belief that the Capital had a vital role in creating Canadian pride and unity marked her entire career. Building on their work, we will continue to drive forward with our diverse and exciting mandate: creating a capital that reflects Canada's history, identity, culture, values and aspirations.

My first five years as chair has been a very rewarding experience — and I look forward to another fruitful tenure at the NCC. I would like to thank my fellow Board members for all their hard work over the past year, and I warmly congratulate the NCC's CEO and management team for truly demonstrating "what it takes" to achieve our vision.



Russell Mills
Chair

ENABLING LEGISLATION

The *National Capital Act* (R.S.C., 1985, c. N-4) defines the mandate of the National Capital Commission and its powers. The Act also establishes the membership of the NCC's board of directors.

PUBLIC ACCOUNTABILITY

As a Crown corporation, the NCC is subject to the accountability regime set out in Part X of the *Financial Administration Act*. The NCC is accountable to Canadians through Parliament, and reports through the Minister of Foreign Affairs, who is designated minister responsible for the *National Capital Act*.

The government sets the public policy and priorities for the NCC to reflect the interests of Canadians. These policies and priorities guide the actions of the board of directors, and inform the development of the NCC's annual corporate plan, in accordance with the NCC's legislative mandate. In agreement with provisions set out in Part X of the *Financial Administration Act*, the NCC reports on its performance through a summary of the corporate plan and an annual report, tabled each year in Parliament.

OBJECTIVE ARM'S-LENGTH ASSESSMENT

The Office of the Auditor General of Canada conducts an independent financial audit of the NCC each year. Under recent amendments to the *Financial Administration Act*, the Auditor General also conducts a special examination of the NCC every 10 years. The last of these, completed in 2007, identified no significant deficiencies in the NCC's systems and practices. The Auditor General did, however, make 10 recommendations — related to corporate planning, governance, strategic and risk management, and human resource planning — which the NCC is currently addressing.

BOARD OF DIRECTORS

STRUCTURE

The NCC is led by a 15-member board of directors, composed of a chairperson, a chief executive officer (CEO), and 13 other members, five of which ordinarily reside in Canada's Capital Region. Of the five members from Canada's Capital Region, three must be from Ontario, with at least two from Ottawa, and two must be from Quebec, with at least one from Gatineau, west of the Gatineau River. The remaining eight members represent a geographical cross-section from other parts of Canada, and there is no established formula for their distribution.

MEMBERSHIP

The chairperson and CEO are Governor-in-Council appointees, with their appointments coordinated by the Privy Council Office, on behalf of the Prime Minister's Office. The 13 other members are appointed by the minister responsible for the *National Capital Act* with the approval of the Governor-in-Council.

The chairperson, on behalf of the NCC board, advises the minister responsible for the *National Capital Act* as well as the director of appointments in the Prime Minister's Office of the desired mix of skills useful for the NCC board, particularly those to be sought in filling upcoming vacancies.

ORIENTATION

All new board directors receive a presentation on accountability, reporting structures and by-laws; learn about NCC programs; and meet with senior management to review current issues. They also receive copies of federal guidelines and related documents on corporate governance, and attend an information session on roles and responsibilities, ethics and conflict of interest, as well as a course on governance offered by the Canada School of Public Service.

RESPONSIBILITIES

The board is responsible for high-level oversight of the corporation and for providing strategic direction. In addition to safeguarding corporate resources and ensuring their effective and efficient use, it also monitors, evaluates and reviews performance, and receives advice from corporate committees.

MANAGEMENT RELATIONSHIP

Board members are provided with a CEO's activity report, which highlights ongoing issues and new projects at the start of each board meeting. The board of directors participates fully in strategic planning for the NCC, conducting its own annual strategic planning session with senior executives and providing direction for the future year's corporate plan. The board also reviews performance against the corporate plan four times a year, is kept apprised of the key risks facing the organization, and approves the corporate plan and annual report before they are submitted to the minister of Foreign Affairs.

BY-LAWS AND CHARTERS

The *National Capital Act* allows the board to make by-laws for the conduct and management of its activities and for carrying out the purposes and provisions of the Act. By-laws exist to specify the powers of the board under the Act, specify meetings of the board, delegate powers to the CEO and Corporate Secretary, as well as other operating resolutions such as banking operations. In 2010–2011 and 2011–2012, existing by-laws were simplified and streamlined, with the board adopting new charters for itself and its committees that outline powers, membership and roles and responsibilities, as well as conduct. The board charter contains a code of conduct and conflict of interest guidelines specific to the NCC.

COMMUNICATIONS RESPONSIBILITIES

Part of the responsibilities of the board is to ensure effective communication with the government, other stakeholders and the public. The board fulfills this commitment in a variety of ways: first and foremost, in its ongoing communication with its primary shareholder, the Crown. Through the corporate plan and annual reports, the NCC ensures that government is fully aware of its plans, achievements and challenges. Most meetings of the board are public, with agenda, minutes and activity reports from the CEO publicly available through the corporate website. The NCC also conducts an annual public meeting, where topics of public interest and concern may be raised and discussed directly with board members.

PERFORMANCE EVALUATION

Annually, the board of directors establishes the CEO's objectives for the coming year and assesses the CEO's accomplishments for the current performance cycle.

In keeping with best practices for boards and governance, the NCC's Board of Directors conducted a self-evaluation in 2011, which covered day-to-day considerations such as the Board's access to the information it needs and the quality of its discussions. The results were very positive. The NCC's executive management team also evaluated the Board — at the Board's request — and found its performance to be strong as well. The Board intends to conduct similar evaluations on an annual basis.

INDEPENDENCE

Board members are required to act honestly, diligently, carefully and in good faith, in the best interests of the corporation, in accordance with the *Financial Administration Act*. They operate under the terms of a corporate by-law designed to prevent conflict of interest, and are required to recuse themselves from decision making in any situation that could be considered a real or apparent conflict of interest. All new members must review and acknowledge understanding of the principles contained in the *Conflict of Interest Act*.

ACCOMPLISHMENTS

The Board of Directors held six public meetings during the 2011–2012 fiscal year, as well as three special in camera conference calls, two special public conference calls and one meeting conducted via email. The Board also held its fourth annual strategic planning session in September 2011.

Among its activities last year — all of which were pursuant to the *National Capital Act* and the NCC's by-laws — the Board of Directors approved the NCC's annual report and financial statements, corporate plan and budgets, as well as design and land use proposals, and contractual agreements, including the following highlights:

- the land use concept of the Greenbelt Master Plan review
- the proposed alignment for the City of Ottawa light rail transit
- the site plan and schematic design of the 90 Elgin site (Public Works and Government Services Canada's redevelopment project of the former Lorne Building)
- the subject approval for the Lord Stanley and hockey monument
- the contract award for Phase 2B of the Environmental Assessment Study on Future Interprovincial Crossings.

COMMITTEES

Three corporate committees directly support the board of directors, and five advisory or special committees provide advice to management through the CEO. In addition to an Executive Committee, the *National Capital Act* allows for the establishment of other committees the board considers necessary for the administration of the Act.

Corporate Committees

The Executive Committee consists of the chairperson, CEO and three other members to be appointed by the board, at least one of whom is to be from the province of Quebec. While the board of directors can delegate certain powers and functions to its Executive Committee; it chose not to do so last year. As a result, the Executive Committee held no meetings.

The Audit Committee oversees the NCC's internal audit function, and reviews the Office of the Auditor General of Canada's special examinations and annual financial audits. It also oversees the reporting of financial information, ensuring that the necessary processes and controls are in place for the NCC to achieve its objectives, while ensuring the highest standards of integrity and behaviour.

The Governance Committee reviews and, when appropriate, makes recommendations to the board related to the following:

- amendments to by-laws;
- selection criteria for, duties of and benefits for the chair, CEO, and other board and committee members;
- the mandate, functioning, competency profile and performance appraisals of the board and its committees;
- the benefits, objectives and performance appraisal of the CEO;
- terms of reference and the selection process for the ombudsman; and
- governance issues in general.

NCC BOARD OF DIRECTORS AND COMMITTEES

AS OF MARCH 31, 2012



Russell Mills
Ottawa, Ontario
Chair
April 30, 2007
to April 29, 2012*

A B C 1 2 3



Marie Lemay
Chelsea, Quebec
Chief Executive Officer
January 7, 2008
to January 6, 2013

A B C 1 2 3



Richard N. Aubry
Williamstown, Ontario
July 30, 2008
to July 29, 2012

C



Adel A. Ayad
Ottawa, Ontario
November 15, 2007
to November 14, 2011

B 2



Korin Bobrow
Beaconsfield, Quebec
October 11, 2007
to October 10, 2011

2



Peter Burgener
Calgary, Alberta
June 19, 2009
to June 18, 2013

B



Hélène Grand-Maitre
Gatineau, Quebec
April 1, 2007
to March 31, 2011

A 2



Jacquelin Holzman
Ottawa, Ontario
November 15, 2007
to November 14, 2013

3



Richard P. Jennings
Gatineau, Quebec
December 3, 2007
to December 2, 2013

2



Eric D. MacKenzie
Fredericton,
New Brunswick
March 5, 2007
to May 13, 2014

A 1



Frieda Martselos
Fort Smith,
Northwest Territories
June 9, 2005
to March 25, 2013

1 3



André Rioux
Sept-Îles, Quebec
June 18, 2008
to June 17, 2012

2



Jason M. Sordi
Richmond Hill, Ontario
April 30, 2007
to April 29, 2014

1 2 3



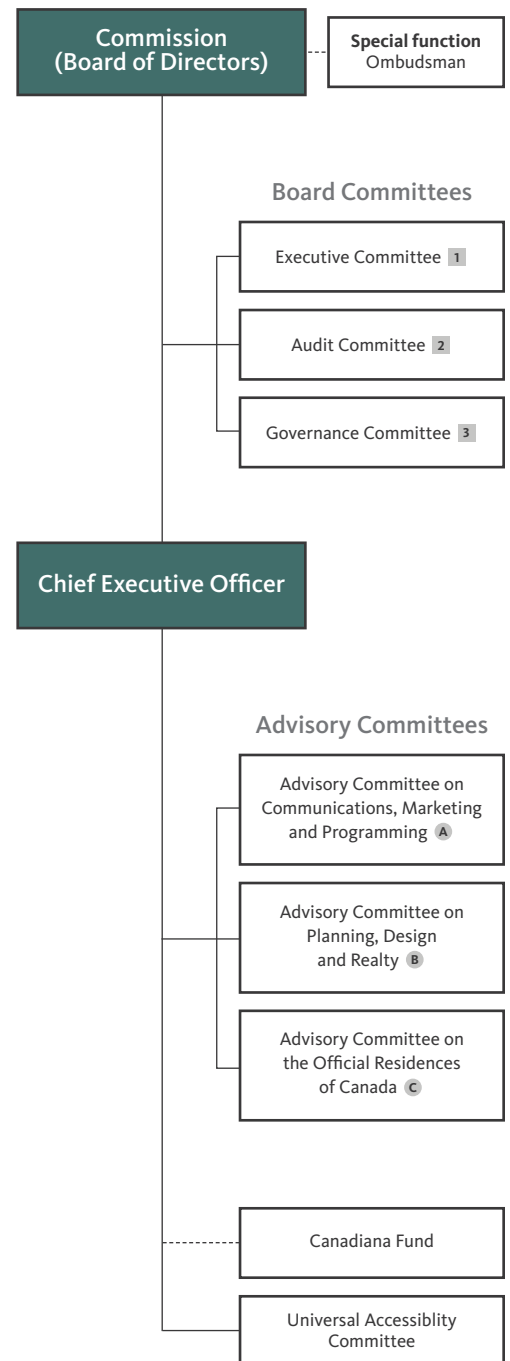
Brent Stefanson
Winnipeg, Manitoba
August 29, 2008
to August 28, 2012

3



Robert Tennant
Ottawa, Ontario
March 5, 2007
to May 13, 2014

3



* Reappointed April 13, 2012, for a term that expires April 29, 2017.

Advisory and Special Committees

The NCC recruits recognized experts from Canada's professional, academic and business communities to sit on advisory committees and provide technical guidance to the NCC and other federal and private sector organizations in Canada's Capital Region. The NCC has a Code of Conduct for employees which also extends to members of NCC advisory committees who are not members of the board of directors.

The following committees provide national perspective and professional breadth (*see Appendix I for a list of committee members*).

The Advisory Committee on Communications, Marketing and Programming advises on cultural programming, marketing, sponsorships, partnerships and communications.

The Advisory Committee on Planning, Design and Realty advises on long-range plans and policies for the use of public lands and properties in Canada's Capital Region, design proposals affecting these federal lands, and real property matters.

The Advisory Committee on the Official Residences of Canada advises on asset management and matters pertaining to the six official residences in Canada's Capital Region.

The Canadiana Fund solicits donations of heritage art, artifacts, furniture and funds for the enhancement of state rooms in the official residences.

The Universal Accessibility Committee consults the community, and incorporates best universal access and design principles in NCC projects.

The organizational chart on page 7 illustrates the relationship between the board and its committees. For a list of advisory and special committees, and their members, refer to Appendix I.

NCC OMBUDSMAN

Appointed by the board of directors, the NCC ombudsman provides members of the public with an independent, confidential, neutral, fair and equitable resource for resolving complaints when all other avenues of redress have been exhausted. The ombudsman may intervene or investigate when there is reason to believe the rights of an individual or a group of individuals have been — or are likely to be — adversely affected by an act, decision, recommendation or omission by an employee or representative of the NCC. In such cases, the ombudsman gathers all relevant facts to either resolve the complaint or make non-legally binding recommendations for corrective measures, as part of the dispute resolution process.

The ombudsman submits a public annual report to the chair of the NCC's board of directors, taking the opportunity, if desired, to outline cases or recommendations made. This annual report is available on the NCC corporate website.

REMUNERATION

Pursuant to the *National Capital Act*, the Governor-in-Council establishes the remuneration paid to the chair, CEO and other board members.

The remuneration of the chair follows the government's Remuneration Guidelines for Part-Time Governor in Council Appointees in Crown Corporations. The chair receives an annual retainer of between \$8,000 and \$9,400 and a per diem of \$375 for attending meetings of the board and its committees, and for certain special executive, analytical or representational responsibilities approved by the board of directors.

Other board members are not remunerated for attending or participating in the regular meetings of the board. For participating in committees and performing other special duties, members are paid an annual retainer of between \$4,000 and \$4,700 and a \$375 per diem, each set by the Governor-in-Council pursuant to the *Financial Administration Act*. The chair of the Audit Committee receives an additional retainer of \$2,000 per year. Per diems are paid for time spent performing NCC business in accordance with NCC by-laws. Board members are reimbursed for all reasonable out-of-pocket expenses, including travel, accommodation and meals, while performing their duties on behalf of the NCC. These expenses vary for each board member, according to committee responsibilities and distance travelled to participate in board meetings.

BOARD OF DIRECTORS REMUNERATION

Earned from April 1, 2011 to March 31, 2012

	Retainer ¹	Per Diems ^{1, 2, 4, 5}	For Travel ^{2, 3}	Total	Attendance						
Commission Members	\$ (A)	\$ (B)	\$ (C)	\$ (A+B+C)	Board Meetings (8 days*)	Committee Meetings (Corporate and Advisory)					
						EC	AC	GC	ACPDR	ACCMAP	ACORC
						(0 days)	(2 days)	(1.5 days)	(5.5 days)	(3.5 days)	(2 days)
Richard N. Aubry	4,000	2,250	63	6,313	5.5	0	n/a	n/a	n/a	n/a	2
Adel A. Ayad	4,000	4,500	0	8,500	8	0	2	n/a	5.5	n/a	n/a
Korin Bobrow	4,000	0	0	4,000	0	0	0	n/a	n/a	n/a	n/a
Peter Burgener	4,000	2,625	2,188	8,813	2.5	0	n/a	n/a	4.5	n/a	n/a
Hélène Grand-Maitre	4,000	3,563	484	8,047	8	0	2	n/a	n/a	2	n/a
Jacquelin Holzman	4,000	1,688	0	5,688	7	0	n/a	1	n/a	n/a	n/a
Richard P. Jennings	4,000	2,063	0	6,063	7	0	2	n/a	n/a	n/a	n/a
Eric D. MacKenzie	4,000	2,813	1,125	7,938	7.5	0	n/a	n/a	n/a	3.5	n/a
Frieda Martselos	4,000	938	1,125	6,063	5	0	n/a	1	n/a	n/a	n/a
Russell Mills	9,400	32,250	0	41,650	8	0	0.5	1.5	4.5	1	1
André Rioux	4,000	2,250	1,500	7,750	6.5	0	2	n/a	n/a	n/a	n/a
Jason M. Sordi	6,000	2,813	188	9,001	7	0	2	1	n/a	n/a	n/a
Brent Stefanson	4,000	1,500	969	6,469	4.5	0	n/a	1.5	n/a	n/a	n/a
Robert Tennant	4,000	2,063	0	6,063	8	0	n/a	1	n/a	n/a	n/a
Total	63,400	61,316	7,642	132,358							

1. Rates per Privy Council Order 2002-368, effective October 1, 2000, rounded to the nearest dollar.

2. Includes attendance at briefing sessions and, for the Chair, includes per diems for executive duties approved by the Board.

3. Compensation for travel is based on the geographical location of the commission members, and does not cover travel expenses, which are reimbursed to members based on reasonable out-of-pocket expenses.

4. Includes attendance at public and in camera meetings of the Board and the Board's strategic planning session.

5. Russell Mills is an ex-officio member on the advisory committees, and receives a per diem for attending meetings or meeting lunches.

* 7.5 days of meetings + 0.5 days of briefing

EC: Executive Committee; **AC:** Audit Committee; **GC:** Governance Committee; **ACPDR:** Advisory Committee on Planning, Design and Realty; **ACCMAP:** Advisory Committee on Communications, Marketing and Programming; **ACORC:** Advisory Committee on the Official Residences of Canada



FIVE-YEAR KEY FINANCIAL HIGHLIGHTS

For the years ended March 31 (in thousands of dollars)

	2012	2011	2010	2009	2008
		(restated)			
Operating Funding					
Parliamentary appropriations for operating expenditures	84,290	83,467	85,387	78,703	78,160
Operating revenue	35,876	34,562	37,357	38,130	37,005
	120,166	118,029	122,744	116,833	115,165
Capital Funding					
Parliamentary appropriations for capital expenditures	23,196	74,848	19,533	25,134	17,935
Transfer from Acquisition and Disposal Fund to capital program*	n/a	n/a	n/a	n/a	215
	23,196	74,848	19,533	25,134	18,150
Cost of Operations	142,603	142,087	138,003	148,781	131,455
Capital Assets					
Land	292,006	288,948	277,281	260,350	262,225
Buildings and infrastructure (net of amortization)	286,386	285,961	251,302	241,308	245,543
Investments in capital assets	25,074	65,442	38,890	23,548	21,654
Major Capital Projects					
LeBreton Flats redevelopment	738	44	2,233	986	1,795
Official residences	5,451	7,503	7,243	3,938	4,551
Real property acquisitions	910	2,449	5,835	3,301	2,599
Acquisition and Disposal Fund	37,330	38,018	40,149	43,280	42,887

* The Acquisition and Disposal Fund is no longer used to fund the capital program, following a Treasury Board decision on September 4, 2008.

FIVE-YEAR KEY OPERATING HIGHLIGHTS

For the years ended March 31

	2012	2011	2010	2009	2008
Number of employees	487	492	490	472	437

MISSION AND MANDATE

The NCC is a Crown corporation that reports to Parliament through the Minister of Foreign Affairs, who has been designated as the minister responsible for the *National Capital Act*.

MISSION

Creating national pride through Canada's Capital Region.

MANDATE

The NCC was created by Parliament in 1959 under the *National Capital Act*. The core responsibilities of the NCC pursuant to the Act are the following:

- to prepare plans for and assist in the development, conservation and improvement of the National Capital Region to ensure that the nature and character of the seat of the Government of Canada reflect its national significance; and
- to organize, sponsor or promote public activities and events in the National Capital Region that enrich the cultural and social fabric of Canada, and reflect Canada's federal character and official languages, as well as the heritage of the people of Canada.

The NCC also coordinates the policies and programs of the Government of Canada that are related to the organization, sponsorship or promotion of public activities and events by federal departments in or about Canada's Capital Region; and approves building design and the use of federal lands in Canada's Capital Region.

GUIDING PRINCIPLES

The NCC, as steward of the public trust, has developed a series of principles to guide its business activities.

ACCOUNTABILITY

The NCC is committed to serving the public with pride and to being responsible and respectful by applying prudent fiscal management.

CLARITY

The NCC sets clear priorities and is committed to creating a shared vision for Canada's Capital Region on behalf of all Canadians.

INTEGRITY

The NCC interacts with clients, partners and the public with honesty, respect and fairness.

OPENNESS AND TRANSPARENCY

The NCC conducts its affairs openly, collaboratively and inclusively. It consults with stakeholders and is responsive in its business approach.

LEADERSHIP AND INNOVATION

The NCC values creativity and innovation, based on knowledge and research. It continually aims to be proactive in finding solutions to problems and to lead by example.

NCC EXECUTIVE MANAGEMENT COMMITTEE

AS AT MARCH 31, 2012



Marie Lemay
Chief Executive Officer



Jean-François Trépanier
Executive Vice-President,
Operations



Michelle Comeau
Senior Vice-President,
Environment,
Capital Lands and Parks



Mark Dehler
General Counsel and
Commission Secretary



Pierre Désautels
Vice-President,
Finance and
Procurement and
Chief Financial Officer



Diane Dupuis
Senior Vice-President,
Public and
Corporate Affairs



Guy Laflamme
Senior Vice-President,
Capital Experience,
Communications
and Marketing



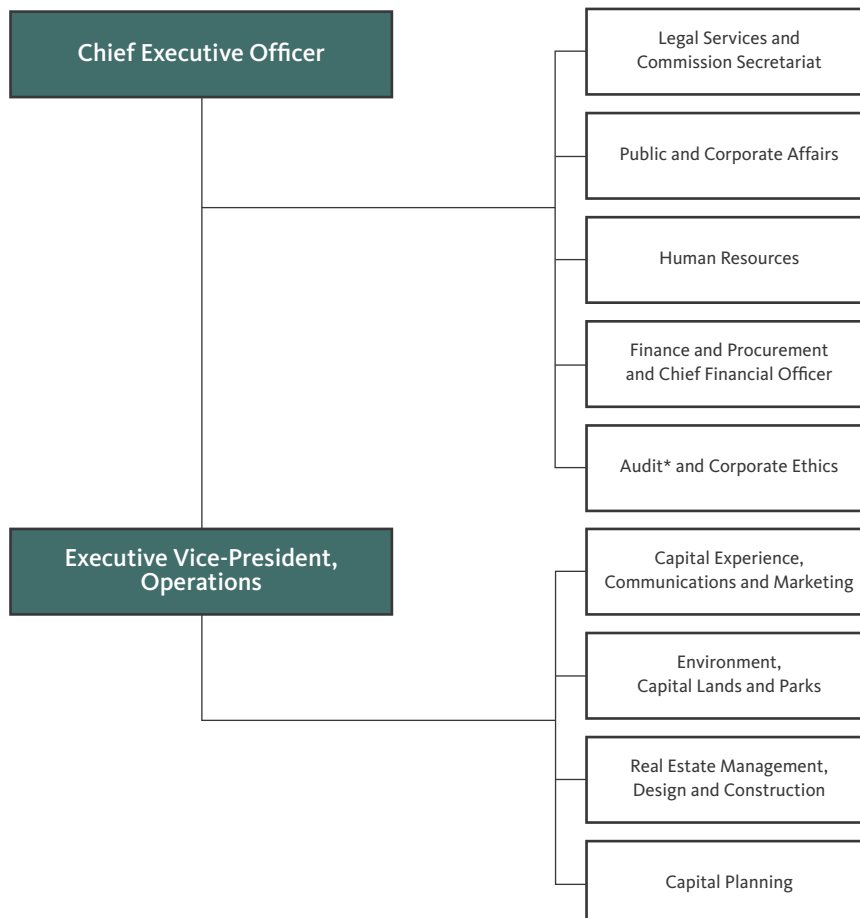
François Lapointe
Vice-President,
Capital Planning



Roland Morin
Vice-President,
Real Estate Management,
Design and Construction



Manon Rochon
Vice-President,
Human Resources



* The audit function reports to the Audit Committee.

CORE BUSINESS LINES

In delivering its mandate, the NCC focuses on ensuring that the Capital is a source of pride and national significance for Canadians. To achieve this, the NCC organizes its activities into the three business lines described below.

CAPITAL PLANNING, DESIGN AND LAND USE

The NCC and its predecessor organizations were tasked with the beautification of Ottawa and, later, a larger area that encompasses the Capital, known as Canada's Capital Region. The NCC's delivery approach is based on long-term planning that ensures the character of Canada's Capital as the predominant factor. This is achieved through the Plan for Canada's Capital, the federal government's lead policy for Canada's Capital Region, as well as through a series of hierarchical land use, thematic and functional plans. The current focus of this business line is to update the vision for Canada's Capital Region, as expressed through the lead policy plan and supporting plans. The business line is also focused on the NCC's role as an active partner in planning sustainable transportation for Canada's Capital Region and on identifying opportunities to encourage greater public access to shorelines in the core area. In 2011–2012, the cost of operations for this business line was \$5.8 million, accounting for 4 percent of the NCC's cost of operations. Planning and related activities are primarily undertaken by employees who are professional planners, supported by contracted consultants.

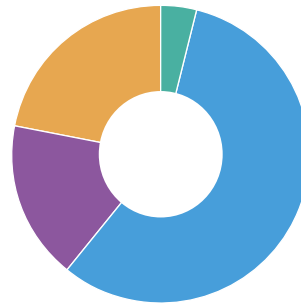
REAL ASSET MANAGEMENT AND STEWARDSHIP

A legacy of land acquisition, development, control and management has enabled the NCC to implement plans and physically transform the Capital Region over the long term. Assets and lands owned by the NCC on behalf of the federal government include much of Gatineau Park, the Greenbelt and core urban lands, including parks, parkways, bridges, riverfronts and the six official residences in Canada's Capital Region. In addition, the NCC continues to maintain the grounds for a number of high-profile federal sites that it does not own and that are located in the core area of the Capital (e.g. the Parliamentary Precinct, Langevin Block and the Supreme Court of Canada). Activities range from conservation and environmental protection, to real estate and leasing, to land maintenance, and the rehabilitation and construction of civil infrastructure. The current focus for this area of activity is environmental protection and stewardship, that is, ensuring that sound environmental practices are in place and that assets can be sustainably managed for the long-term benefit of Canadians. In 2011–2012, the cost of operations for this business line was \$81.3 million, accounting for almost 57 percent of the NCC's cost of operations. It also generated \$19.3 million in revenue from rental operations and easements.

ANIMATING AND PROMOTING THE CAPITAL

In 1988, the NCC's mandate was formally amended to include the organization, sponsorship and promotion of public events and activities that would enrich the cultural and social fabric of Canada. Since then, the NCC has built a rich, varied and evolving program of national events and celebrations, such as Canada Day and Winterlude, interpretive and educational programs such as the Sound and Light Show, and information services that communicate Canadian values, culture and achievements. The current focus of this area of activity is to develop new delivery models for flagship programs and services, in order for the organization to continue to deliver relevant programs for Canadians. Among commemoration activities, the NCC is also supporting the government in establishing the National Holocaust Monument and undertaking the War of 1812 monument on behalf of Canadian Heritage. The NCC is also working to position the Capital as a focal point of the 150th anniversary of Confederation to be celebrated in 2017.

In 2011–2012, the cost of operations for this business line was \$24.3 million, accounting for 17 percent of the NCC's cost of operations. It also generated \$1.7 million in revenue from cash and in-kind sponsorships.



PROPORTION OF NCC EXPENSES BY PROGRAM ACTIVITY, 2011–2012
(millions of dollars)

TOTAL: 142.6

- Capital Planning, Design and Land Use: 5.8
- Real Asset Management and Stewardship: 81.3
- Animating and Promoting the Capital: 24.3
- Corporate Services: 31.2

OPERATING ENVIRONMENT

GENERAL EXTERNAL TRENDS

As part of its annual strategic planning process, the NCC prepares a horizon scan, which identifies the most significant trends and challenges influencing the organization's operations.

Canada's aging population, urbanization and population growth, primarily from immigration, are all important elements for the NCC in ensuring that Canada's Capital Region is representative of and meaningful to all Canadians. The increasing proportion of the population living in urban areas, must be factored into NCC planning and decision making in terms of land use and real asset management. It also presents opportunities for creating meeting places along waterways and other high-potential areas in the core. At the same time, there is a growing expectation of Canadians with respect to the preservation of natural heritage and integration of sustainability into management and operations. Trends in communications and technology are an enormous opportunity for the NCC to communicate and reach out to Canadians — particularly youth — beyond the Capital Region.

The current fiscal environment has affected the NCC's funding levels, and could adversely affect its ability to generate revenues, ultimately having an impact on the delivery of programs and services. Examining revenue-generating opportunities and creating synergies through partnerships and new business models are important aspects of managing the fiscal situation.

GENERAL INTERNAL TRENDS

The 2009 Strategic Review

The 2010 federal budget contained provisions from the 2009 strategic review calling for NCC appropriations to decline by \$2.1 million in 2010–2011, \$4.4 million in 2011–2012 and 5 percent or \$5.5 million in subsequent years. In response to this decline in appropriations, the NCC established a strategy based on diverting some responsibilities to other levels of government, taking a closer look at its programming and streamlining operations to focus even more closely on its core mandate. In 2011–2012, the NCC achieved savings by starting to change its business model for Winterlude and its approach to visitor services; divesting itself of maintenance responsibilities on non-NCC lands; and continuing to demolish properties deemed unviable for lease and beyond their life cycle expectancy. Delays were encountered in transferring municipal and provincial like assets and activities, which created additional costs for the NCC. However, work has progressed and the transfer of assets is to be completed in 2012–2013.

Deficit Reduction Action Plan

The NCC is applying the measures contained in the deficit reduction action plan which was announced in the 2012 federal budget. The budget stressed the integral role that the NCC plays in making Canada's Capital Region a source of national pride and significance. Reductions for the NCC amount to \$600,000 in 2012–2013, \$1 million in 2013–2014 and \$1.8 million in 2014–2015 and beyond. The NCC will achieve these savings mainly through implementing internal efficiencies and leveraging new technologies and equipment, which it is currently in the process of doing.

STRATEGIC DIRECTIONS

During 2011–2012, three strategic directions guided NCC activities and the development of its corporate plan.

Create a vibrant and sustainable Capital Region that inspires Canadians

The NCC intends to help shape the Capital as an active, livable city and meeting place, a forum in which to experience Canada and its people. As it works to update the Plan for Canada's Capital, the NCC has been focusing on making the core area more welcoming to pedestrians and cyclists, and improving access to the Capital's shorelines. In 2011–2012, the NCC worked on a regional pathway and cycling plan, prepared for an expansion of the bike share program and successfully piloted the “myCapital” project, which will be expanded next year in hopes of creating meeting places along the Rideau Canal shorelines. Technology has been, and will continue to be, instrumental in showcasing the Capital's assets and enriching visitor experiences.

Communicate the Capital's importance to all Canadians

The NCC intends to reach out to Canadians, and strengthen their sense of identifying with Canada's Capital Region and belonging to Canada. In 2011–2012, the NCC worked hard at engaging Canadians in the planning of their capital and successfully did so through a national engagement strategy. New technologies will continue to be promoted in the renewal of public programming and in educating, promoting and creating awareness of the Capital. Working with partners, the NCC will build dynamic programs around important national events and commemorations. The upcoming 150th anniversary of Confederation in 2017 is a significant opportunity to promote the Capital's importance to all Canadians, and the NCC is currently planning for this celebration.

Organizational pillars: Embedded in the culture of the NCC

In everything that it does, the NCC is putting people first and building a greener capital.

Putting people first The NCC is committed to creating a stimulating and engaging work environment that encourages employees to be creative and innovative, to think outside the box, and to take ownership of their work. In 2011–2012, the NCC focused on finding efficiencies in order to increase organizational capacity. An all-staff brainstorming exercise was held in an effort to breathe air into the system, and senior management has been ensuring that it has clear criteria, as well as the information it needs for decision making. As an open and transparent organization, the NCC also continuously strives for excellence in client service and public engagement. Visitors and residents in the Capital communicate frequently with the organization; the NCC call centre handled 28,385 contacts in 2011–2012.

Building a greener capital Protecting the environment and ensuring sound environmental practices in every area of activity are key features of building a great capital and creating national pride for all Canadians. As a steward of federal lands in Canada's Capital Region, the NCC is committed to demonstrating excellence and leadership in sound environmental practices. In 2011–2012, the NCC reduced waste going to landfill, ensured that events such as Canada Day became carbon neutral, undertook “green” demolitions and established Green Teams, one of which was with the Office of the Secretary to the Governor General for Rideau Hall. The environmental strategy, *Building a Greener Capital*, is available on the NCC corporate website.

KEY PERFORMANCE DRIVERS

During the strategic planning process, the NCC also identified key drivers that are essential to the successful implementation of the organization's strategy and the achievement of its goals.

LEGISLATION TO AMEND THE NATIONAL CAPITAL ACT

Following the NCC's mandate review in 2006, the federal government twice introduced legislation to renew the *National Capital Act* (Bills C-37 and C-20). However, both bills died on the Order Paper due to the 2009 prorogation of Parliament and, most recently, the 2011 dissolution of Parliament. Legislation to amend the *National Capital Act* has not yet been reintroduced.

ABILITY TO ADAPT

One of the NCC's principal strengths lies in its ability to adapt. As an example, the organization continues to optimize the use of new technologies through the introduction of QR codes, the exploitation of mobile applications for smartphone devices, reliance on social media (e.g. Facebook, Twitter and YouTube) and usage of Google Maps to map its recreational pathway network. The NCC continues to rely on multimedia, such as podcasts, videos and slide shows, to enhance the experience of Canadians visiting the organization's website. The NCC is also implementing a more contemporary visitor services model to better reflect market trends by using technology and new media.

SHARED RESPONSIBILITY AND FOCUS

In recent years, the urban area of Canada's Capital Region has seen rapid growth and an increasing number of players with an interest in its development. The ability to establish strategic partnerships is therefore a key performance driver of the NCC. The organization cannot build a great capital alone, and this must be seen as a shared commitment, requiring the collaboration of sponsors, partners, other levels of government and stakeholders.

Additional key performance drivers include concentrating on areas where the NCC can truly make a difference, as it faces declining purchasing power, and devolving maintenance responsibilities on some of its asset base.

CAPABILITY TO DELIVER RESULTS

The creation, preservation and communication of Canada's Capital as an expression of the nation require a unique combination of resources and skills.

NCC LANDS

The NCC owns approximately 11 percent of the land in Canada's Capital Region on both sides of the Ottawa River in Ontario and Quebec, which makes it the region's single-largest landowner. These holdings also include more than 20 percent of the lands within the core of the Capital. They comprise approximately 473 square kilometres of NCC-owned land, including Gatineau Park, the Greenbelt, parkway corridors, interprovincial bridges, 106 kilometres of parkways, 236 kilometres of recreational pathways, 2,500 hectares of urban green space, and 604 properties leased for residential, agricultural, institutional, recreational and commercial purposes. When leased and non-leased portfolios are combined, the NCC manages 1,487 properties, placing it in sixth position for federal organizations in this category. Having such a large asset base enables the NCC to influence the physical development of the Capital.

EMPLOYEES

Employees are what make an organization capable of moving forward with its mandate and, at the NCC, many have dedicated a significant part of, or even their entire career, building a great capital. As an indication of this, employees have accumulated, on average, 11.53 years of service at the NCC. In fact, almost half (48 percent) of employees have more than 10 years of service, while 8 percent have worked for 25 years or more at the NCC. As importantly, the 52 percent of NCC employees who have less than 10 years of service bring to the organization innovative ways of doing business and an eagerness to try out new ideas. Both groups complement one another, and this balancing of resources is strategically significant.

Due to the breadth of the NCC's mandate, diverse and specialized skill sets are also needed for the organization to be effective. The NCC is able to rely on the specialized talents of architects, engineers, real estate managers, urban planners, event organizers, graphic artists, interior designers, horticulturists, biologists, curators, carpenters, grounds technicians and gardeners. These professionals are crucial to the implementation of the NCC's vision for the Capital.

VOLUNTEERS

Volunteers provide invaluable support to many of the NCC's programs and activities and, in doing so, contribute considerably to the task of building a capital for all Canadians. They also help to ensure that important national values, such as a sense of community, are alive and well in today's capital. Volunteers assume all kinds of roles and responsibilities, including those of informing the public, patrolling the ski trails in Gatineau Park, providing first aid, helping find lost children, serving as guides and tending gardens.

During 2011–2012, 1,661 individuals volunteered a total of 17,935 hours of service to the NCC during events such as Canada Day and Winterlude. In particular, volunteers contributed 1,724 hours to help the NCC provide information on Capital visitation experiences during the JUNO Awards and the NHL All-Star Game. Moreover, volunteers as a whole were from 62 ethnic communities, and this diversity highlights the desire of newer generations of Canadians to be involved in national celebrations. A good example of this is the Chinese community's volunteering each year to distribute Canadian flags during Canada Day, which speaks to the inclusive nature of Canadian society.

PARTNERS AND SPONSORS

Partners and sponsors are increasingly contributing to the success of the NCC in delivering flagship events and programs. In 2011–2012, the organization partnered with 149 organizations, a 62 percent increase from 92 partners in 2010–2011. The NCC also secured an additional \$400,000 from corporate sponsors, despite seeing a slight decrease in the total number of sponsors. Specifically, the Manufacturers Life Insurance Company, a newcomer as corporate sponsor, played a significant role in supporting Christmas Lights Across Canada and *Mosaika*, the Sound and Light Show on Parliament Hill. The funding, in-kind services, and products received from all partnerships and sponsorships represents 14 percent of all revenues generated for the year.

The NCC also obtains non-financial incentives from its association with partners and sponsors. For example, a significant incentive is that the NCC benefits from an increased organizational capacity by participating in joint initiatives.

Financial and non-financial incentives both contribute to the organization's ability to achieve its goals.

PARTNERS AND SPONSORS

	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012
NCC Partners	88	67	72	77	68	92	149
NCC Corporate Sponsors	33	27	29	24	32	33	31
Total	121	94	101	101	100	125	180

NCC SPONSORSHIP REVENUE

(in thousands of dollars)

	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012
Cash	1,373	1,197	1,318	1,390	1,057	1,127	1,510
In-Kind	1,137	1,173	1,170	949	224	234	213
Total	2,510	2,370	2,488	2,339	1,281	1,361	1,723

FINANCIAL CONTEXT

The NCC continues to be affected by successive rounds of fiscal restraint. The 2010 federal budget confirmed the reductions in appropriations set out in the 2009 strategic review (\$4.4 million in 2011–2012 and 5 percent or \$5.5 million for future years). This was followed by government-wide cost containment measures, which have frozen the NCC's operating budget to the 2010–2011 level for the period of April 2011 to March 2013. Economic increases in salaries resulting from the collective agreement for 2011, 2012 and 2013 are to be funded from within the existing operating budget. At the end of 2011–2012, the NCC estimates that it absorbed over \$1 million of unfunded economic increases. As the current collective agreement expired on December 31, 2011, and a new agreement has yet to be negotiated, the actual impact of the freeze related to 2012 and 2013 economic increases is unknown at this time. However, the cumulative ongoing impact of the freeze is estimated at \$2.2 million per year. The NCC also has to implement budget reductions from the recent Deficit Reduction Action Plan, released in the federal budget on March 29, 2012, which amount to \$0.6 million in 2012–2013, \$1 million in 2013–2014 and \$1.8 million in 2014–2015 and onward. The total effect of these fiscal restraint measures represents an estimated ongoing reduction of NCC's appropriations of \$9.5 million annually.

The NCC continues to monitor its financial situation closely. The challenge remains to balance ongoing operating requirements with permanent funding, particularly with respect to inflation and long-term ongoing obligations (e.g. increases in rent for the headquarters offices, as well as in property management and maintenance contracts). Finding budget efficiencies, expanding business and public programming partnerships, focusing on priorities, streamlining business processes, and seeking cost benefits through the use of new technologies and equipment are the measures being taken by the organization to meet this challenge.

ACCOUNTING AND REPORTING CHANGES

PUBLIC SECTOR ACCOUNTING STANDARDS

As of April 1, 2011, the NCC adopted the Canadian public sector accounting standards. For a description and the effect of the transition to these accounting standards, please refer to note 3 to the financial statements.

STANDARD ON QUARTERLY FINANCIAL REPORTS FOR CROWN CORPORATIONS

In 2011–2012, the NCC prepared and made public quarterly financial reports in accordance with the Standard on Quarterly Financial Reports for Crown Corporations. The quarterly financial report consists of unaudited financial statements and a narrative discussion outlining financial results, risks, and significant changes in operations, personnel and programs.

PROGRAM ACTIVITY ARCHITECTURE

To communicate to Parliament and Canadians, the NCC has formalized its business lines into program activities consistent with the requirements of the federal government and its program activity architecture. (*A description of each program activity is available in note 1 of the financial statements.*) In August 2011, amendments to NCC program activities were approved by the government. These amendments place more emphasis on environmental leadership and conservation, while recognizing the NCC's role in regional transportation planning and the importance of partnering to collaborate on programming. Use of the NCC's amended program activities for planning and reporting purposes will begin in the 2012–2013 fiscal year.



PERFORMANCE

PROGRAM PERFORMANCE

The operating performance of the NCC is measured through a series of objectives/expected results, performance indicators and targets. The following performance rating guide is used to evaluate achievement or progress on targets set out in the 2011–2012 to 2015–2016 Summary of the Corporate Plan.

PERFORMANCE RATING GUIDE	
Target met	The branch achieved the target (within 5 percent) or exceeded the target for the period in review. “Target met” can also be used for long-term projects.
Target partially met	The branch achieved 75 percent to 95 percent of the target for the period in review.
Target on track	Used for long-term projects with no clearly defined milestones for the period in review, but where substantial progress toward the long-term goal has been made.
Target not met	The branch achieved less than 75 percent of the target for the period in review. “Not met” can also be used in cases where targets are modified or projects are deferred.
Target not evaluated	Used for long-term projects, where target achievement can be determined only upon completion.
N/A	Used in cases where targets are not applicable.

NCC STRATEGIC OUTCOME

The NCC’s strategic outcome is to ensure the optimum contribution of federal lands and public programs in creating a capital that is a source of pride and national significance. The goal is 80 percent of Canadians indicating that the Capital is a source of pride and national significance.

Two thirds of Canadians indicated that their last visit to the Capital increased their sense of pride in Canada and gave them a better sense of the country’s heritage, culture and achievements.

In 2011–2012, surveys of participants in NCC events and programs indicated that, for 88 percent of attendees, the Canada Day festivities met or exceeded their expectations, while 93 percent of participants agreed that Winterlude is a great occasion to celebrate Canadian winter culture, and 84 percent of visitors indicated that their trip to Gatineau Park enriched their overall visit to the Capital.

1.0 ANIMATING AND PROMOTING THE CAPITAL

EXPECTED RESULT

Canadians have a better understanding of their capital, and identify with its role and significance.

PERFORMANCE INDICATOR AND TARGET

Seventy percent of Canadians experiencing the Capital have a better understanding of their capital, and identify with its role and significance.

RESULTS

A 2011 research study revealed that 76 percent of Canadian visitors to the region either strongly agreed or agreed that they gained a better understanding of the Capital's role and significance as a result of attending Canada Day events. The same survey also indicated that over half of Canadian participants strongly agree that Canada Day was a great opportunity to celebrate their nationhood (57 percent), that it helped them appreciate their country (54 percent) and that it increased their sense of pride in being Canadian (54 percent).

In 2010–2011, 65 percent of respondents to a national online branding survey indicated that the Capital was an inspiring reflection of Canada and Canadians. Similarly, 87 percent of respondents to a 2009–2010 strategic market research study indicated that Canada's Capital Region has national significance.

1.1 EVENTS, INTERPRETATION AND COMMEMORATIONS

EXPECTED RESULT

NCC programs and services enrich the Capital experience and help Canadians appreciate the significance of its sites and symbols, and celebrate their nationhood.

PERFORMANCE INDICATOR AND TARGET

Eighty-five percent of Canadians experiencing the Capital indicated that NCC programs and services enrich the Capital experience, and help Canadians appreciate the significance of its sites and symbols, and celebrate their nationhood.

RESULTS

According to a survey of Canada Day attendees in 2011, 88 percent stated that the festivities met or exceeded their expectations, and that they were satisfied or very satisfied overall. Following the 34th edition of Winterlude, two thirds (66 percent) of Winterlude participants strongly agreed that their participation in Winterlude contributed to their feeling that Canada's Capital is a vibrant and enjoyable place. As part of a research study conducted for *Mosaika* in 2010, 51 percent of the Sound and Light Show spectators stated that the event helped them appreciate the significance of Parliament Hill. Furthermore, nine in ten Canadians (90 percent) surveyed agreed that the show increased their sense of national pride; 76 percent agreed that it enriched their visiting experience in the Capital; and 79 percent indicated that it allowed them to learn more about Canadian achievements, values and history.

PROGRAMMING EVENTS

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Maintain annual attendance at flagship events and programs:			
Sound and Light Show	250,000	Target met; approx. 245,000	Target partially met; approx. 214,000
Canada Day	325,000	Target met; approx. 510,000	Target met; approx. 350,000
Winterlude	600,000	Target met; approx. 695,000	Target met; approx. 600,000
Annual partnerships with federal departments or agencies	At least 10	Target met; 35 federal partnerships	Target met; 22 partnerships

Analysis of Results

In 2011–2012, the NCC met or exceeded its targets for programming events, and exceeded all of the results of the previous year. Attendance at *Mosaika* increased by 14 percent, while the show received numerous awards from the tourism industry for innovativeness and interactivity. Increased Canada Day attendance was attributed to the visit of the Duke and Duchess of Cambridge. Both the noon and evening shows on Parliament Hill were broadcast on TV and radio, both nationally and internationally, reaching in excess of 15 million Canadians. Following the new pilot business model used for Canada Day in 2011, a hybrid approach will be taken for the 2012 event, to secure top-name talent, leverage social media, and seek outreach opportunities. The 2011–2012 fiscal year was a record year for the number of Winterlude partners (55), who were instrumental in ensuring the continuity and quality of indoor and outdoor events and activities.

* Based on 2010–2011 key expected outputs.

INTERPRETATION AND OUTREACH			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Maintain annual visitation and reach:			
Parliament Hill programs	500,000 visits	Target partially met; 452,775 visits	Target met; approx. 705,200 visits (including <i>Mosaika</i>)
Capital Infocentre services	325,000 visitors	Target partially met; 284,153 visitors	Target met; approx. 327,500 visitors
Youth Program reach	2 million by the end of 2013–2014 (cumulative)	Target met; 5,170,027 youth reached (cumulative) since 2006 (baseline year).	Target met; 4,200,035 youth reached, cumulatively
Level of satisfaction among participating educators and youth	80 percent by the end of 2013–2014	Target not evaluated	N/A
Number of young people participating in NCC youth-oriented activities	30 percent increase (from the 2009–2010 baseline) by the end of 2013–2014	Target not evaluated	N/A
Indication that youth who participate in NCC youth engagement activities consider Canada's Capital to be a place where they are valued and represented	75 percent by the end of 2013–2014	Target not evaluated	N/A
Renewal of the Capital Infocentre	Complete by the end of 2012–2013	Target met; based on revised plans	Target not met; completion deferred to 2012–2013

Analysis of Results

Visitation and reach targets were either met or partially met in 2011–2012. Plans to renew the Capital Infocentre were revised, and the NCC relocated its Capital Infocentre from 90 Wellington to the World Exchange Plaza on November 1, 2011. By year-end, there was a 13 percent decrease in visitation compared with 2010–2011. However, this was to be expected, given the move to a new location. The aim is to provide visitor services that better reflect market trends, through the use of technology, and to bring services directly to visitors during the summer months. From 2006–2007 to the end of 2011–2012, approximately 5.1 million youth were reached through various NCC youth programs and initiatives. Teachers surveyed in 2011 indicated a satisfaction level of 100 percent for all NCC school programs and, on average, 48 percent of youth who participated in NCC youth engagement activities indicated that the Capital is a place where they are valued and represented. To further progress toward its 75 percent target, the NCC is currently implementing youth-generated ideas and concepts in its youth initiatives.

COMMEMORATIONS AND PUBLIC ART			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
A multi-year action plan to support the public art strategy	Develop plan by the end of 2011–2012 Implement by the end of 2015–2016	Target met Target on track; implementation by the end of 2015–2016	N/A

Analysis of Results

The multi-year action plan for the public art strategy was approved in 2011–2012, and implementation is to commence in 2012–2013. Implementation consists of building a national collection of public art, and connecting this to programming and real asset management. The NCC, in collaboration with partners, marked the bicentennial of the War of 1812 and the 50th anniversary of the Canadian Coast Guard. Both of these were highlighted with informative activities for Winterlude visitors. Coinciding with Winterlude was “Portraits on the Ice,” where portraits of key figures from the War of 1812 were exhibited on the Rideau Canal. The 2012 edition of the Confederation Boulevard banners featured two key national anniversaries: the bicentennial of the War of 1812 and the Queen's Jubilee. For the bicentennial of the War of 1812, key heroes were depicted on banners that appeared in key areas of the downtown core, with a higher concentration of banners at the Canadian War Museum. The NCC was also very active in determining the requirements for the War of 1812 and Holocaust commemorative monument projects. For the War of 1812 commemorations, \$240,000 was spent in 2011–2012.

* Based on 2010–2011 key expected outputs.

1.2 MARKETING AND COMMUNICATIONS

EXPECTED RESULT

The message of Canada's Capital as a place to experience our heritage, culture and achievements is communicated to Canadians.

PERFORMANCE INDICATOR AND TARGET

Eighty percent of Canadians are informed that Canada's Capital is a place to experience our heritage, culture and achievements.

RESULTS

The Winterlude 2012 study revealed that 93 percent of Canadians agreed that Winterlude is a great occasion to celebrate Canadian winter culture. According to the local public awareness survey conducted in 2010–2011, 65 percent of residents in Canada's Capital Region indicated that the NCC is doing an excellent or good job of ensuring that Canada's Capital Region showcases all of Canada. In 2009–2010, the strategic market research study revealed that 85 percent of respondents felt that Canada's Capital Region is a place to experience Canadian heritage, culture and achievements.

MARKETING AND COMMUNICATIONS

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
A national engagement strategy to support effective communications, awareness building, and consultation with the Canadian public and key stakeholders, starting with the update to the Plan for Canada's Capital	Develop strategy and initiate implementation by the end of 2011–2012	Target met	N/A
Maintain overall level of generated revenues (in-kind and cash)	Target: \$966,000 (cash), \$240,000 (in-kind)	Target met; \$1.5 million (cash)	Target met; \$1.1 million (cash)
New sponsorship strategic plan	Develop and implement plan by the end of 2012–2013	Target not evaluated	N/A
New NCC website	Launch by the end of 2011–2012	Target met	Target on track
Fully interactive “virtual Capital”	Complete implementation by the end of 2013–2014	Target not evaluated	Target on track

Analysis of Results

Significant emphasis was placed on reaching out to Canadians in 2011–2012. A national engagement strategy was implemented, with eight cities visited and input obtained from over 23,000 Canadians. The data gathered will inform both the update of the Plan for Canada's Capital and the planning for the 150th anniversary of Confederation in 2017. Through a partnership with *Canadian Geographic*, the NCC reached millions of Canadians, and was able to build awareness of what the Capital has to offer. Deployment of the Capital brand into NCC activities, events and assets has provided a common thread and a more consistent approach to delivering Capital messages.

As an instrumental aspect of communicating to Canadians, the NCC has enhanced its online presence, and successfully launched its new website. Since the launch of the new site, there have been substantial increases in visitor hits on popular search engines, and substantial increases in the number of times visitors returned to the NCC site. As part of the implementation of the “virtual Capital,” the NCC is currently maximizing its use of website technology to improve interpretation and outreach, commemorations and public arts programs.

* Based on 2010–2011 key expected outputs.

2.0 CAPITAL PLANNING, DESIGN AND LAND USE

EXPECTED RESULT

Federal lands reflect the role and significance of the Capital as an appropriate setting for the seat of government and for national events and commemorations.

PERFORMANCE INDICATOR AND TARGET

Decisions related to land use planning, urban design, asset management and coordination with municipal planning documents are consistent with NCC plans; plans are reviewed and updated in accordance with the land use planning framework; and decisions to implement sustainable and efficient transportation strategies by all levels of government reflect the Strategic Transportation Initiative.

RESULTS

Recommendations from the federal land use and design approval evaluation continue to be implemented. In 2011–2012, a total of 158 federal land use approvals and 51 design approvals were granted. In 2010–2011, there was a total of 56 federal land use approvals and 45 design approvals.

LAND USE PLANNING FRAMEWORK AND NATIONAL INTEREST LAND MASS (NILM) REVIEW

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Plan for Canada's Capital	Complete update to the plan by the end of 2012–2013	Target on track	Target on track
Capital Urban Lands Master Plan	Complete development of the plan by the end of 2013–2014	Target not evaluated	Target not met; completion deferred to 2013–2014
1996 Greenbelt Master Plan	Complete update to the plan by the end of 2012–2013	Target on track	Target not met; completion deferred to 2012–2013
NILM review and non-NILM action plan	Complete plan by the end of 2014–2015	Target not evaluated	Target not evaluated

Analysis of Results

The main focus of the update for the Plan for Canada's Capital in 2011–2012 was the National Engagement Strategy, data from which will be used for various NCC plans. A draft vision statement, principles, goals, scope, parameters and structure are in development, and the plan is targeted for completion at the end of 2012–2013. The review of NILM criteria will commence in parallel with the action plan for the Plan for Canada's Capital. However, the completion of the comprehensive NILM review and non-NILM action plan will be dependent on a number of factors, including the anticipated amendment of the *National Capital Act*. The NCC continues to work on the Capital Urban Lands Master Plan. As part of the first phase of this initiative, the preliminary vision statement, strategic orientations, concepts and development of directions have been completed. Coordination with the update to the Plan for Canada's Capital, the Parkway Policy review and the shoreline initiatives is ongoing. The second phase of the project, which consists of the development of the four sector plans, is expected to begin in 2013–2014. The update of the 1996 Greenbelt Master Plan is proceeding, with the concept plan approved. The review and further refinement of land designations, policies and sector plans began in the fall of 2011. The last step of the review, which involves municipal and federal partners and the Greenbelt public advisory committee on sector plans, as well as consultation with the public, will be completed in the first half of 2012–2013.

* Based on 2010–2011 key expected outputs.

TRANSPORTATION			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Phase 2 of the environmental assessment of future interprovincial crossings	Complete phase and obtain approvals by the end of 2014–2015	Target not evaluated	Target not met; phase II completion deferred to 2014–2015
Goods movement study	Complete and obtain approvals by the end of 2012–2013	Target not evaluated	N/A
Green transportation study in Gatineau Park	Complete by the end of 2011–2012	Target partially met	N/A
<i>Analysis of Results</i>			
<p>The first of four rounds of the public consultation process for a future interprovincial crossing was completed in 2011–2012. Preparations are under way for the second round of consultations in June 2012. Comparative analysis and evaluation of the three corridor alternatives will be presented in the third round of public consultations in fall 2012. The fourth and final round of consultations will occur in spring 2013, and will focus on the overall results of the study, including the preliminary design of the proposed bridge.</p> <p>The completion of the goods movement study has been delayed until a consensus on funding levels from various partners can be achieved. Completion of the green transportation study has seen some delays. Data from public consultations and workshops held in early 2012 is currently being analyzed. The third and last phase of the plan, which consists of setting priorities and determining the resources required for implementation, will be completed in early 2012–2013.</p>			

FEDERAL LAND USE AND DESIGN APPROVALS			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Achieve a level of stakeholder satisfaction relative to the clarity of the federal land use and design approval process	At least 80 percent by the end of 2011–2012	Target not met; deferred to the end of 2012–2013	Target not evaluated
<i>Analysis of Results</i>			
<p>In 2011–2012, progress was made in improving and streamlining the NCC's federal land use and design approval process. A delegation framework for Level 1 approvals (minor internal projects) was developed, an online application capability was implemented, and efficiencies were found by transitioning to an internal database system for project management, tracking and reporting functions, as well as for approvals. There was also a realignment of management functions and resources to improve the delivery of the work, and consultations and education activities were held with clients and stakeholders. In 2012–2013, the level of stakeholder satisfaction will be assessed through voluntary feedback forms found on the Internet, until full implementation of improvements to the federal land use and design approval process is completed, and formal performance measures are established.</p> <p>In 2011–2012, the City of Ottawa's light rail transit project underwent the final iterative designs and review process. Ninety percent of formal approval stages for the project are expected to be attained in 2012. Work on the eventual transfer of federal lands will take place concurrently in order to meet the City of Ottawa's approval timelines.</p>			

* Based on 2010–2011 key expected outputs.

3.0 REAL ASSET MANAGEMENT AND STEWARDSHIP

EXPECTED RESULT

Federal assets under the responsibility of the NCC (parks and green spaces, leased properties, official residences, recreational properties, buildings, bridges, and roads) are developed, maintained and managed in accordance with their national capital significance in order to enrich visitors' and residents' experience of the Capital.

PERFORMANCE INDICATOR AND TARGET

Eighty percent of Canadians experiencing the Capital indicate that federal assets under the NCC's responsibility enrich their Capital experience.

RESULTS

According to the Gatineau Park research study conducted in 2011–2012, more than eight in ten Canadians (84 percent) agreed that their trip to Gatineau Park enriched their overall visit to the Capital. Three out of four visitors (76 percent) strongly agreed that visiting Gatineau Park increased their sense of pride in the Capital. In 2009–2010, 88 percent of Gatineau Park visitors surveyed agreed that visiting the park increased personal pride in the Capital and enriched their experience.

3.1 CORE CAPITAL PROJECTS

EXPECTED RESULT

NCC core area projects contribute to the symbolic, political, cultural and administrative primacy of the heart of the Capital.

PERFORMANCE INDICATOR AND TARGET

Eighty percent or more of Canadians experiencing the Capital indicate that NCC core area projects contribute to the significance of the heart of the Capital.

RESULTS

According to a 2011 survey, 77 percent of visitors experiencing the “myCapital” project (a meeting place created in the core of the Capital) strongly agreed that a meeting place such as this one makes the Capital more vibrant and inviting. In 2009–2010, according to a LeBreton Flats survey, 70 percent of respondents indicated that their visit to LeBreton Flats enriched their overall visit to the Capital, and 74 percent of respondents felt it was an appropriate setting for national institutions.

CORE CAPITAL PROJECTS

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Canlands “A”	Complete redevelopment by the end of 2013–2014	Target on track	Target on track
Transfer the remaining non-NILM lands on LeBreton Flats	Obtain required approvals by the end of 2011–2012	Target not met	Target not met; approvals deferred
Sussex Drive mid-section, George Street to King Edward Avenue	Complete rehabilitation by the end of 2013–2014	Target not evaluated	N/A
Rehabilitate open space along the Rideau Canal	Complete rehabilitation by the end of 2011–2012	Target partially met	N/A

Analysis of Results

The delivery of redevelopment projects on federal lands in the core of the Capital include the Canlands “A” property on Sparks Street, LeBreton Flats, the mid-section of Sussex Drive, and the open space along the Rideau Canal. Delays were encountered with the Canlands “A” construction project, which was set to commence in late 2011. Mitigation measures have been applied, and overall project progress will be monitored closely in months to come. Work on the planning and vision of LeBreton Flats will continue in 2012. The NCC continues to work with the project lead (the City of Ottawa) to support its efforts to add safe cycling amenities on the George Street to King Edward Avenue portion of Sussex Drive. The first phase of open space along the Rideau Canal, the area between the Plaza Bridge and the Laurier Bridge was completed, and the project received an Award of Merit, in the category of Public Places and Civic Spaces, from the Ottawa Urban Design Awards. The next phase of this initiative, to be completed in 2012–2013, will consist of reinstating the spiral stair landing, along with enhanced displays, seasonal docks and universal accessibility enhancements.

* Based on 2010–2011 key expected outputs.

3.2 LAND AND REAL ASSET MANAGEMENT

EXPECTED RESULT

Federal assets, including public amenities under the responsibility of the NCC, are managed and rehabilitated for public use.

PERFORMANCE INDICATOR AND TARGET

Ninety percent of Canadians experiencing the Capital indicate that they are satisfied with their experience in using federal assets and public services under the responsibility of the NCC.

RESULTS

According to the Gatineau Park research project, more than eight in ten Canadians (84 percent) strongly agreed that their trip to Gatineau Park enriched their overall visit to the Capital. Also, three in four visitors (76 percent) strongly agreed that visiting Gatineau Park increased their sense of pride in the Capital. Furthermore, 88 percent of Skateway users were either very satisfied (35 percent) or satisfied (53 percent) with the overall activities on the Rideau Canal.

ENVIRONMENTAL LEADERSHIP

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Risk management plan to secure all NCC contaminated sites	Complete implementation by the end of 2017–2018	Target on track	Target on track
Remediation of non-NILM lands on LeBreton Flats	Develop plans and specifications by the end of 2011–2012	Target partially met	N/A
Ensure that Canada Day, Winterlude, Fall Rhapsody, Christmas Lights Across Canada, Sunday Bikedays and Rideau Canal Skateway are carbon neutral	By the end of 2012–2013	Target on track	Canada Day 2010 achieved carbon neutral status.
Reassessment surveys for designated substances on the remainder of NCC-owned buildings	Complete surveys as per targets established in the three-year plan	Target on track	N/A

Analysis of Results

Due to the unavailability of federal funds for managing contaminated sites last year, the NCC focused on conducting 40 high-priority assessments, the remediation of a small number of key contaminated sites and the planning of the large remediation project at LeBreton Flats. Federal funding has been confirmed for the next five years and, in 2012–2013, securing contaminated sites will become a priority. The planning process for the remediation of non-NILM land on LeBreton Flats has begun, and remediation is expected to commence in October 2012. A number of environmental initiatives were successfully completed in 2011–2012. The NCC is also in the process of identifying and assessing buildings that may contain designated substances; out of 1,284 buildings, only 108 have not been assessed. Multiple projects are under way for the protection, restoration and management of highly valued ecosystems and natural habitats in Gatineau Park and the Greenbelt.

REAL PROPERTY ACQUISITIONS AND DISPOSALS

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Conclude transactions as per Appendix H of the 2011–2012 corporate plan, including obtaining government approvals and funding, as required	Meet land acquisition and disposal targets	N/A	

Analysis of Results

Since April 1, 2008, the NCC has acquired 34 private properties, covering approximately 158.2 hectares of land, as per the strategy outlined in the Gatineau Park Master Plan. In 2011–2012, the NCC began work on various transactions as per Appendix H of the 2011–2012 corporate plan. Two transactions were concluded in Gatineau Park, for a total consideration of \$895,000.

* Based on 2010–2011 key expected outputs.

OPERATIONS AND MAINTENANCE			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Assets for public use are open, available and in safe condition	99 percent	Target met	Target met; 99 percent
Deliver projects under the life cycle management program	Complete 120 projects by the end of 2011–2012	Target met; 125 projects completed	N/A
Renewal of core area maintenance management contract	Renew and tender by the end of 2011–2012	Target met	N/A
Analysis of Results			
<p>A measure of success of the NCC's ongoing operations and maintenance activities related to its asset holdings is the percentage of assets that are open, available for use and in safe condition. The NCC has consistently met this target since 2006. Similarly, in 2011–2012, all assets were open, available and in safe condition for public use, with the one exception being the Philippe Lake sector, which was closed for a short duration due to an exceptional accumulation of rainwater in June 2011. The Occupy Ottawa demonstration at Confederation Park, which took place from October 15 to November 23, was carefully monitored and managed, and risks associated with this high-profile event were mitigated. Day-to-day maintenance of NCC-owned properties and non-NCC-owned federal sites is achieved through a series of land maintenance contracts. A new approach to the core area maintenance contract was adopted, and operational services were made more efficient.</p> <p>Projects in the life cycle management program were successfully delivered, with 125 projects undertaken and completed in 2011–2012, representing close to \$1.5 million in operating funds. Furthermore, the multi-year capital program was delivered and resulted in capital improvements of \$14.5 million (excluding the official residences). The NCC also completed the remaining six projects from the Infrastructure Stimulus Fund that was part of Canada's Economic Action Plan (\$4.2 million in capital funds).</p>			

THE OUTDOOR CAPITAL			
<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Gatineau Park outdoor recreation plan and strategy to strengthen the importance of environmentally responsible recreational activities	Complete plan and implement strategy by the end of 2011–2012	Target partially met	Target not met; completion date deferred to 2011–2012
Gatineau Park heritage conservation strategic plan	Develop plan by the end of 2011–2012	Target partially met	Target not met; completion date deferred to 2011–2012
Wayfinding signage in the Greenbelt	Complete implementation by the end of 2011–2012	Target not met	N/A
Electrically powered bikes (e-bikes)	Develop strategy by the end of 2011–2012	Target met	Target on track
Regional cycling plan in collaboration with the City of Ottawa and Ville de Gatineau	Develop plan by the end of 2011–2012	Target partially met	Target on track
Analysis of Results			
<p>The NCC continues to pursue its objectives related to the implementation of the Gatineau Park Master Plan. The Gatineau Park outdoor recreation plan and strategy were slightly delayed, due to the consolidation of the public consultation approach for the Outdoor Recreation Plan and the Heritage Conservation Plan. This approach proved very effective in communicating strategic directions and orientations to key stakeholders, partners and user groups; 800 people responded to the online questionnaire, and close to 500 provided comments. As for the installation of wayfinding signage on trails in the Greenbelt, approximately 50 percent of the project is completed, with full completion scheduled for early 2012–2013.</p> <p>In terms of cycling initiatives, a strategy for electrically powered bikes (e-bikes) was developed and approved at the end of 2010–2011; and rules were developed, approved, published, and distributed to key stakeholders and partners. The development of the regional cycling plan, in collaboration with the City of Ottawa and Ville de Gatineau, was slightly delayed, as priority projects took precedence. However, preliminary discussions are under way. The NCC is in the process of negotiating and signing service agreements for the expansion (from 10 to 25 stations) of its bike share program, and continues to work with government agencies and municipalities on a further expansion (50 stations and 500 bikes). Revenues from the Capital BIXI program exceeded targets by \$59,000, with \$134,000 generated during 2011–2012, the first year of the program.</p>			

* Based on 2010–2011 key expected outputs.

3.3 OFFICIAL RESIDENCES

EXPECTED RESULT

The official residences are furnished, maintained and rehabilitated to safeguard their national heritage, and to provide safe and appropriate accommodation for Canada's official leaders, as well as inspiring properties and grounds for the conduct of state events and ceremonies.

PERFORMANCE INDICATOR AND TARGET

Improvements in the degree to which the official residences are meeting regulatory standards and policy guidelines as appropriate accommodation for Canada's official leaders and as venues for the conduct of state events and ceremonies, against a baseline determined in 2005–2006.

RESULTS

A retrospective of the official residences program was provided as a special feature of the 2010–2011 annual report.

OFFICIAL RESIDENCES

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Implement projects identified in the multi-year capital works program, as per the established capital plan	Complete priority projects for 2011–2012	Target partially met	Target on track
24 Sussex Drive	Implement rehabilitation plans, including security requirements, within 15 months following funding approval	Target not evaluated	Target not evaluated
Canadiana Fund	Complete new terms of reference and procedures by the end of 2011–2012	Target met	N/A

Analysis of Results

The NCC has continued working on the long-term capital program for the official residences, and has encountered some delays. At Rideau Hall, work progressed on the exterior envelope of both the Ballroom and Tent Room, with deficiencies being reported on the exterior walls of both structures; an investigation is under way to find the best solution. The rehabilitation of the Dome Building is nearly completed, with only landscaping work remaining and scheduled for early 2012–2013. Improvements to the Farm were completed, which consisted of the rehabilitation and conversion of the main floor to meet universal accessibility standards. Work at Harrington Lake is scheduled for completion in early 2012–2013 while, for 24 Sussex, priority work on the rehabilitation of the escarpment and the removal of hazardous materials will be undertaken for 2012–2013. Total capital expenditures for the official residences program amounted to \$5.5 million in 2011–2012.

The Canadiana Fund committee has become a special committee providing advice to NCC management through the CEO. The terms of reference for the Canadiana Fund and the acquisition policy of Crown Collection were endorsed by the Canadiana Fund Committee.

* Based on 2010–2011 key expected outputs.

3.4 PAYMENTS IN LIEU OF TAXES

EXPECTED RESULT

Payments to municipalities, and school boards in Quebec, are made in a timely manner.

PERFORMANCE INDICATOR AND TARGET

One hundred percent of payments in lieu of municipal taxes on properties are paid by the due date, excluding those being challenged in accordance with the *National Capital Act* and the *Payments in Lieu of Taxes Act*.

RESULTS

One hundred percent of the payments were made as per the due date in 2011–2012 and 2010–2011.

PAYMENTS IN LIEU OF TAXES

Key Expected Outputs	2011–2012 Plan	2011–2012 Actual	2010–2011 Actual*
Percentage of payments in lieu of municipal taxes on properties having been paid by the due date, excluding those being challenged in accordance with the <i>National Capital Act</i> and the <i>Payments in Lieu of Taxes Act</i> .	100 percent	Target met; 100 percent	Target met; 100 percent
Analysis of Results			
One hundred percent of payments were made as per the due date. There are a number of properties that will be going to the Dispute Advisory Panel for consideration.			

4.0 CORPORATE SERVICES

4.1 GOVERNANCE AND PUBLIC AFFAIRS

GOVERNANCE

Key Expected Outputs	2011–2012 Plan	2011–2012 Actual	2010–2011 Actual*
Changes to the NCC mandate and governance structure resulting from amendments to the <i>National Capital Act</i>	Implement changes in conjunction with royal assent of the parliamentary bill	Target not evaluated	N/A

EXTERNAL RELATIONS

Key Expected Outputs	2011–2012 Plan	2011–2012 Actual	2010–2011 Actual*
Client relationship management	Implement approach and system by the end of 2012–2013	Target on track	Target on track

Analysis of Results

Legislation to amend the *National Capital Act* died on the Order Paper, when Parliament was dissolved in March 2011, and has yet to be reintroduced. The NCC has developed an implementation strategy in the event of the reintroduction and passage of the amending legislation. The organization is also looking into securing enhanced real property authorities in the absence of legislation amendments.

Implementation of the client relationship management system is progressing, and will be available to users beginning around the middle of the 2012–2013 fiscal year. Most public contacts have been centralized with NCC Client Services (formerly known as the “Capital Contact Centre”) to ensure the consolidation of documented customer inquiries.

* Based on 2010–2011 key expected outputs.

4.2 CENTRAL SERVICES

SOUND BUSINESS AND FINANCIAL PRACTICES

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
NCC's program activity architecture (PAA)	Revise PAA and implement improved performance measures by the end of 2012–2013	Target on track	Target on track
Train employees in enterprise risk management	90 percent of targeted employees by the end of 2011–2012	Target not met	Target met
Public sector accounting standards	Convert by April 1, 2011, and implement throughout year	Target met	Target met
Meet obligations as per the Policy on Government Security	By June 2012	Target on track	N/A

Analysis of Results

The revised PAA was approved by Treasury Board in August 2011. New measures will be incorporated into performance reporting, and will be ready for implementation by the end of 2012–2013. Sixty percent of NCC employees have completed the online training, despite numerous measures and initiatives taken to reach the 90 percent target. Additional measures are being taken in 2012–2013 to reach the 90 percent completion target. The public sector accounting standards were implemented as scheduled, and the NCC is proceeding in meeting its obligations under the Policy on Government Security. The risk of being unable to adhere to the Policy on Government Security by June 2012 has been assessed and remains moderate. The NCC is confident that it can effectively mitigate this risk through its corporate-wide risk management approach.

4.3 HUMAN RESOURCES

HUMAN RESOURCES

<i>Key Expected Outputs</i>	<i>2011–2012 Plan</i>	<i>2011–2012 Actual</i>	<i>2010–2011 Actual*</i>
Integrated human resource planning framework	Complete framework renewal by the end of 2011–2012	Target on track	Target on track
New monitoring and reporting tool for succession management planning	Implement by the end of 2011–2012	Target on track	N/A
Three-year Employment Equity Plan	Implement by the end of 2012–2013	Target on track	Target met

Analysis of Results

The integrated human resource planning framework, as well as a new monitoring and reporting tool for succession management planning, and a three-year employment equity plan have all been finalized.

In 2011–2012, continued emphasis was placed on creating a more stimulating and engaging work environment that encourages creativity and innovation. Multiple workshops were held with the executive team, a skills-building session for managers was also included; which focused on translating strategic messages to employees and engaging the workforce. Lastly, an organization-wide open space forum was held, which allowed employees to participate in workshops, and identify various ways of breathing air into the system. The NCC has already integrated some of the findings from the open-space forum into planning processes and activities.

Based on an evaluation of its work environment and benefits offered to employees, the NCC was selected as one of the National Capital Region's Top Employers for 2012. The NCC was also selected as one of Canada's Greenest Employers for its unique environmental initiatives and programs, for reducing its own environmental footprint, and for its employees' involvement in various green programs.

* Based on 2010–2011 key expected outputs.

FINANCIAL PERFORMANCE

Parliamentary Appropriations

In 2011–2012, the NCC was granted \$107.5 million in parliamentary appropriations for both operating and capital expenditures. This represents a \$50.8-million decrease from 2010–2011 appropriations, which totalled \$158.3 million (see Chart 1 and Table 1).

The decrease is primarily due to one-time appropriations received for infrastructure investments (\$1.5 million in 2011–2012, \$43.2 million in 2010–2011) as part of the Economic Action Plan, the deferral of capital funds from 2011–2012 to future years (\$6.0 million), increased federal government reductions stemming from the 2009 Strategic Review (\$2.3 million) and a decrease in funding for the official residences program (\$1.1 million).

Total appropriations are expected to increase to \$124.9 million in 2012–2013, as a result of an increase in one-time funding under the Federal Contaminated Sites Action Plan (\$11.6 million), an increase in funding realigned from 2009–2010 for the official residences program (\$4.4 million) and the deferral of capital funds from 2011–2012 to future years (\$6.0 million). These increases are partly offset by one-time funding received in 2011–2012 for Economic Action Plan infrastructure investments (\$1.5 million), the Royal Canadian Navy Monument (\$1.2 million), and increased salary and employee benefits (\$1.2 million), as well as higher federal government reductions resulting from the 2009 Strategic Review (\$1.1 million).

CHART 1 — PARLIAMENTARY APPROPRIATIONS, 2007–2008 TO 2013–2014 (in millions of dollars)

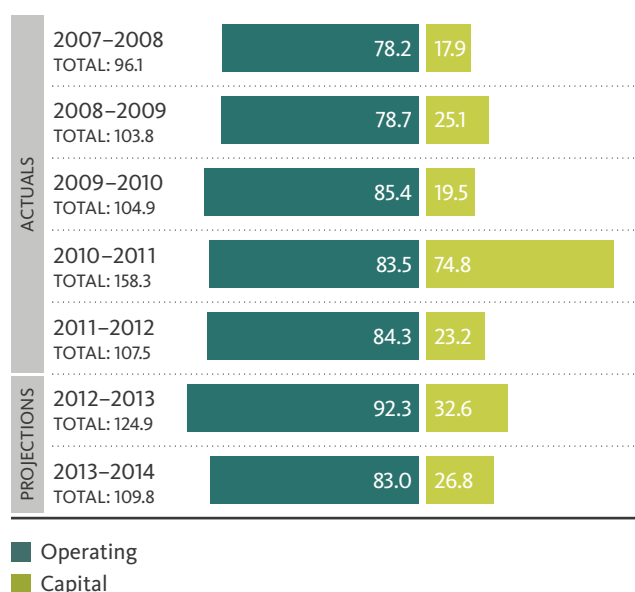


TABLE 1 — PARLIAMENTARY APPROPRIATIONS, 2010–2011 TO 2013–2014 (in thousands of dollars)

	ACTUALS			PROJECTIONS	
	2010–2011	2011–2012	Variance	2012–2013	2013–2014
Operating	83,173	78,399	(4,774)	92,331	82,971
Supplementary operating	294	5,891	5,597	–	–
Subtotal	83,467	84,290	823	92,331	82,971
Capital	34,188	28,473	(5,715)	32,540	26,787
Supplementary capital	40,660	(5,277)	(45,937)	–	–
Subtotal	74,848	23,196	(51,652)	32,540	26,787
Total appropriations	158,315	107,486	(50,829)	124,871	109,758

Operating Revenue

As shown on the statement of operations and accumulated surplus (*see Table 2 on page 33*), the NCC generated \$35.9 million in operating revenue in 2011–2012, a \$1.3-million increase over the 2010–2011 level of \$34.6 million. The variation is mainly attributable to an increase in recoveries received from partners for events (\$1.5 million) and for planning studies (\$0.9 million), higher monetary sponsorships (\$0.4 million) and other revenues (\$1.3 million). Other revenues resulted primarily from the transfer of ownership of the Garden of the Provinces and Territories (\$1.0 million) and a negotiated settlement (\$0.5 million). Revenue increases were partly offset by a decrease in rental operations and easements (\$2.8 million), stemming from a non-monetary easement revenue recorded last year in relation to a land exchange.

Rental operations and easements provided the largest source of operating revenue in 2011–2012, representing 54 percent (compared with 64 percent in 2010–2011) of total operating revenue, excluding the net gain on the disposal of tangible capital assets (*see Chart 2*). The variance from last year results essentially from the non-monetary easement revenue recorded in 2010–2011. All sources of operating revenue are expected to remain relatively stable in future years, with the exception of recoveries, which depend on partnerships, and variations in the net gain on the disposal of tangible capital assets.

Total funding for operations (appropriations plus operating revenue) will reach a peak in 2012–2013 (*see Chart 3*), primarily as a result of one-time appropriations for the Federal Contaminated Sites Action Plan (\$13.8 million). Operating appropriations will continue their gradual decrease in 2013–2014 with the full implementation of the 2009 Strategic Review reductions, the government-wide cost containment measures and the incremental reductions of the Deficit Reduction Action Plan starting in 2012–2013.

CHART 2 — MAIN SOURCES OF OPERATING REVENUE
2007–2008 TO 2013–2014 (in millions of dollars)

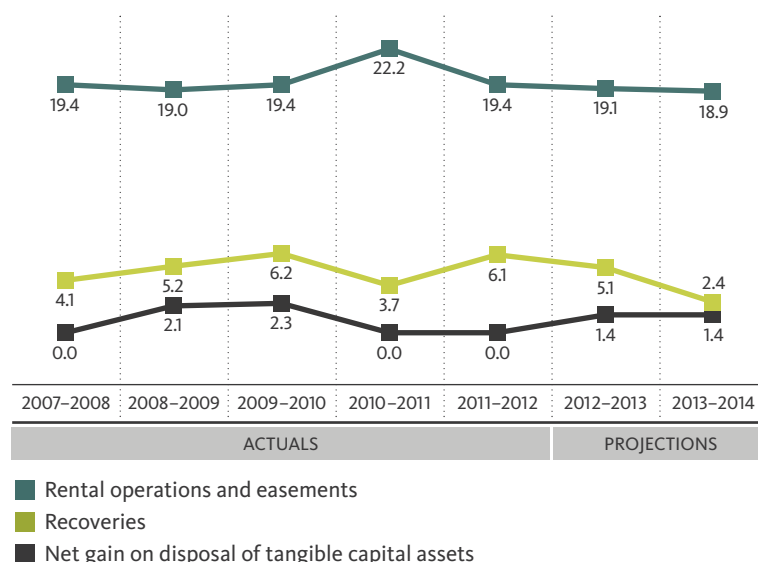


CHART 3 — TOTAL OPERATING FUNDING,
2007–2008 TO 2013–2014 (in millions of dollars)



COST OF OPERATIONS

As shown in the statement of operations and accumulated surplus, and detailed by major classification in note 10 to the financial statements (*see Chart 4*), the total cost of the NCC's operations for 2011–2012 increased by 0.3 percent to \$142.6 million, from \$142.1 million in the previous year. The \$0.5-million increase is the net effect of increased salaries and benefits (\$1.3 million), goods and services (\$1.0 million, essentially from planning studies), payments in lieu of municipal taxes (\$0.6 million) and amortization (\$1.3 million), less reductions in the net loss on the disposal of tangible capital assets (\$1.4 million), and the impairment loss on the value of property and equipment (\$2.3 million).

In future years, the NCC will face greater cost pressures for its headquarters accommodation and the renewal of property maintenance contracts, as each of these expenditure areas includes contracts with escalating inflation clauses. Life cycle management costs, including materials and labour, will also increase. In addition, the NCC is pursuing the implementation of measures to meet, in 2012–2013, the full extent of reductions from the 2009 Strategic Review. The NCC will also start contributing toward the federal government's Deficit Reduction Action Plan (\$0.6 million in 2012–2013, increasing to \$1.8 million in 2014–2015 and future years). As per government-wide cost containment measures indicated in the 2010 budget, the corporation needs to identify further operational efficiencies in order to fund overall increases in employee salaries and benefits.

CAPITAL EXPENDITURES

In 2011–2012, \$25.1 million of capital investments were made compared with \$65.4 million in 2010–2011. Urban lands infrastructure projects recorded a significant decline (\$31.1 million) attributable to infrastructure stimulus projects completed in 2010–2011 as part of the Economic Action Plan. Capital investments also decreased in all other categories of projects, with the exception of LeBreton Flats rehabilitation (\$0.5 million) and Corporate Services projects (\$0.1 million).

CHART 4 — EXPENSES BY MAJOR CLASSIFICATION, 2011–2012 AND 2010–2011 (in millions of dollars)

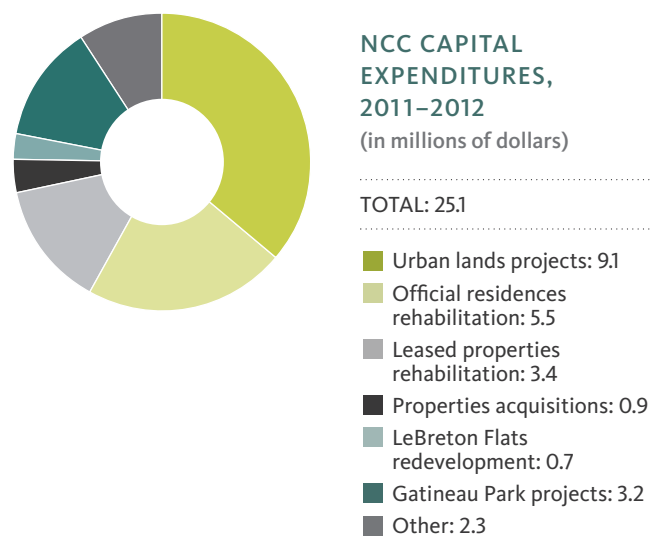
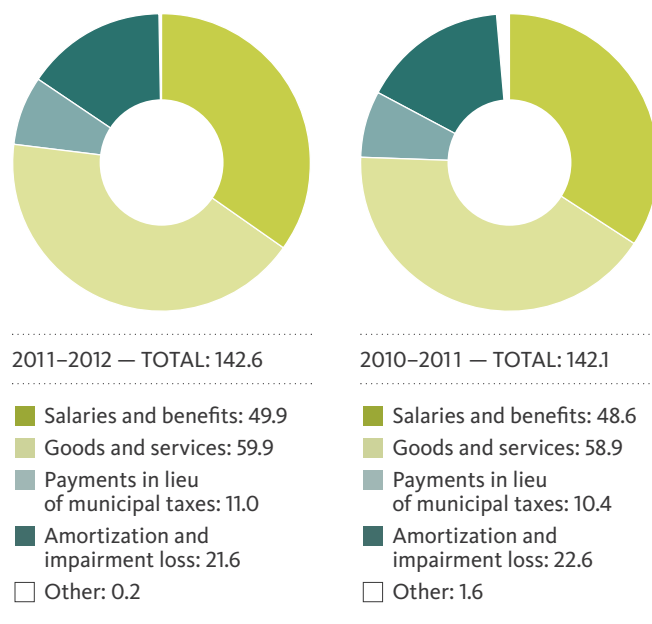


TABLE 2 — STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the years ended March 31, 2011 to 2013 (in thousands of dollars)

	2012–2013	2011–2012			2010–2011		
	Budget	Budget	Actual	Variance	Budget	Actual (restated)	Variance
Revenues							
Rental operations and easements	19,085	19,100	19,363	263	18,584	22,161	3,577
Interest	2,120	2,388	2,447	59	1,353	2,614	1,261
Net gain on disposal of tangible capital assets	1,400	1,400	—	(1,400)	1,400	—	(1,400)
Sponsorship							
Monetary	991	966	1,511	545	966	1,127	161
Goods and services	240	240	213	(27)	250	234	(16)
Headquarters sublease	2,024	1,851	2,065	214	1,849	1,852	3
User access fees	1,310	1,310	2,220	910	1,315	2,199	884
Recoveries	5,060	5,256	6,099	843	4,267	3,706	(561)
Other revenues	1,056	995	1,958	963	944	669	(275)
	33,286	33,506	35,876	2,370	30,928	34,562	3,634
Expenses							
Animating and Promoting the Capital	29,526	20,373	24,340	(3,967)	20,628	23,824	(3,196)
Capital Planning, Design and Land Use	6,227	8,481	5,828	2,653	6,633	4,340	2,293
Real Asset Management and Stewardship	81,639	90,749	81,290	9,459	90,973	82,709	8,264
Corporate Services	30,442	32,157	31,145	1,012	30,970	31,214	(244)
	147,834	151,760	142,603	9,157	149,204	142,087	7,117
Deficit before Government of Canada funding	(114,548)	(118,254)	(106,727)	11,527	(118,276)	(107,525)	10,751
Parliamentary appropriations for operating expenditures	92,331	78,399	84,290	5,891	83,173	83,467	294
Parliamentary appropriations for capital expenditures	32,540	21,268	23,196	1,928	13,734	74,848	61,114
	124,871	99,667	107,486	7,819	96,907	158,315	61,408
Surplus (deficit) for the year	10,323	(18,587)	759	19,346	(21,369)	50,790	72,159
Accumulated surplus at beginning of the year	644,421		643,662			592,872	
Accumulated surplus at end of the year	654,744		644,421			643,662	

ENTERPRISE RISK MANAGEMENT

BUDGETARY ANALYSIS

Table 2 provides the following comparisons in terms of operating results: for 2011–2012, actual results versus the budget presented in the 2011–2012 to 2015–2016 Summary of the Corporate Plan and a similar comparison for 2010–2011, based on the 2010–2011 to 2014–2015 Summary of the Corporate Plan. The table also provides operating results budgeted for 2012–2013, as presented in the 2012–2013 to 2016–2017 Summary of the Corporate Plan.

The NCC exceeded its revenue budget in 2011–2012 by \$2.4 million, with higher-than-budget revenues from all monetary sources. Other revenues and user access fees recorded the most significant increases (\$1.0 million and \$0.9 million, respectively). The increases were partly offset by the fact that there was no net gain on the disposal of tangible capital assets (\$1.4 million).

The actual cost of operations was \$9.2 million lower than budget, primarily as a result of the delay in the Jacques-Cartier Street initiative managed by the Ville de Gatineau (\$10 million). Delays in planning initiatives (\$2.7 million) and in information technology and headquarters projects (\$0.7 million) also resulted in a positive variance, while increased programming, largely funded from partner recoveries and sponsorship revenue (\$2.8 million), contributed to higher expenditures.

The Treasury Board of Canada Secretariat considers enterprise risk management an essential component of modern management in the federal public service. It helps departments and agencies to think more strategically, and improves their decision making. Risk management also allows them to benefit more from opportunities, as they arise. For employees, risk management strengthens their ability to anticipate, assess and deal with risk.

At the NCC, risk management is integrated in the corporate structure and culture through a number of initiatives. The Executive Management Committee and board of directors regularly discuss key corporate risks through performance reporting. Senior managers address risk through a corporate risk profile exercise and planning exercises. Also, employees learn about risk management through a customized online training course available on the NCC's intranet. Risk analyses are also required as part of many internal processes, including preparing submissions that are forwarded to the Executive Management Committee for decision making, the memorandum of understanding process (the annual branch planning exercise) and for projects using the organization's formalized process for project management.

In the fall of 2011, the NCC undertook its annual review of key corporate risks. Capacity, influence and reputation were identified as the key risks that could have a significant impact on the organization. They are described below, along with their mitigation measures.

OUTLOOK

CAPACITY

In financially challenging times, the NCC may be unable to reduce the gap between current and required funding levels. This could result in a reduction of services, challenges in meeting quality standards or an inability to follow through on commitments or to embrace opportunities, ultimately affecting the NCC's capability to deliver on its mandate.

The mitigation measures of the NCC on this risk are to re-examine financial management strategies, establish ways of offsetting expenses, more regularly evaluate and measure the performance and relevance of programs, and apply the criteria for decision making established by senior management to better prioritize work.

INFLUENCE

Influence is about getting people and organizations to join one in achieving one's goals. Not being sufficiently influential affects the NCC's capacity to deliver key initiatives of its mandate.

The measures to mitigate a potential loss of influence include better leveraging of partnerships to obtain the desired effect, adopting a comprehensive corporate communications strategy, and managing external expectations.

REPUTATION

Having a good reputation is an invaluable asset. It facilitates the organization's work in achieving its mandate, even when faced with a complex external environment or when having to deal with multiple stakeholders.

To keep its reputation intact, the NCC needs to be mindful of capacity issues that have an impact on standards of delivery. The NCC will review its quality control mechanisms for service delivery, complete the implementation of the renewed federal land use and design approval process, and communicate strategically. The NCC is also establishing reputational indicators in its performance measurement regime.

Several important trends have the potential of significantly influencing the NCC's operating environment in the next several years. These major trends include an era of government fiscal restraint, the rapid evolution of technology, and an increasing need both to manage resources in a sustainable manner and to reduce our ecological footprint.

A slowly growing economy, combined with the government's priority toward fiscal prudence, which was re-emphasized in the 2012–2013 federal budget, will require that NCC become even more cost-efficient in delivering its mandate. Building organizational capacity and partnering will continue to be top of mind in adapting to the economic situation.

In 2017, Canada will mark the 150th anniversary of Confederation, and Canada's Capital Region will be an important centre of national celebration. Planning has begun for this milestone, as the NCC aims to create a truly memorable experience in recognition of Canada's 150th anniversary and to have Canadians come out of this celebration with lasting memories of their capital and an unparalleled sense of pride in their country.

"Horizon 2067," a plan for Canada's Capital is expected to be completed in early 2013. The centrepiece of the planning exercise has been a conversation with thousands of Canadians. Looking forward, the NCC expects that incorporating Canadians' ideas into the plan will point toward a new horizon in building Canada's Capital.

The NCC is going through a period of extensive change. As with many organizations, experienced people are retiring, while newcomers join its ranks. The organization is feeling the effects of technology, which are changing the way it does business and communicates. Simultaneously, the NCC is building the physical infrastructure of the Capital, while focusing on ideas and initiatives that create vibrancy, manage sustainability and communicate its significance. New business models are also being developed, along with more emphasis being placed on partnership, consultation and transportation. The organization is turning the corner and, once "Horizon 2067" is completed, will begin to fully benefit from all of the changes.

2011–2012 awards

In recognition of excellence by professional and business organizations, the NCC was the recipient of no fewer than 25 prestigious awards in 2011–2012. These awards ranged from offering an exceptional workplace, to acknowledging the high quality of NCC events, programs and designs for landscape and commemorative monuments. Some of these awards are listed here.

Canada's Capital Region's Top Employers 2012, in recognition of Ottawa-area employers that lead their industries in offering exceptional places to work.



Confederation Boulevard, 2011 International Festivals and Events (IFEA)/Haas & Wilkerson Pinnacle Award for Best Street Banners



Rideau Canal Esplanade, Ottawa Convention Centre Forecourt, Canadian Society of Landscape Architects Regional Citation Award 2012 in the Design category

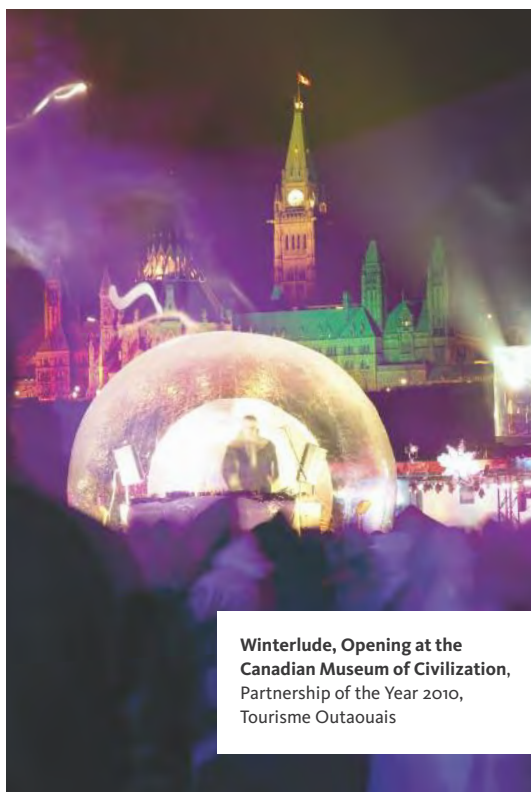
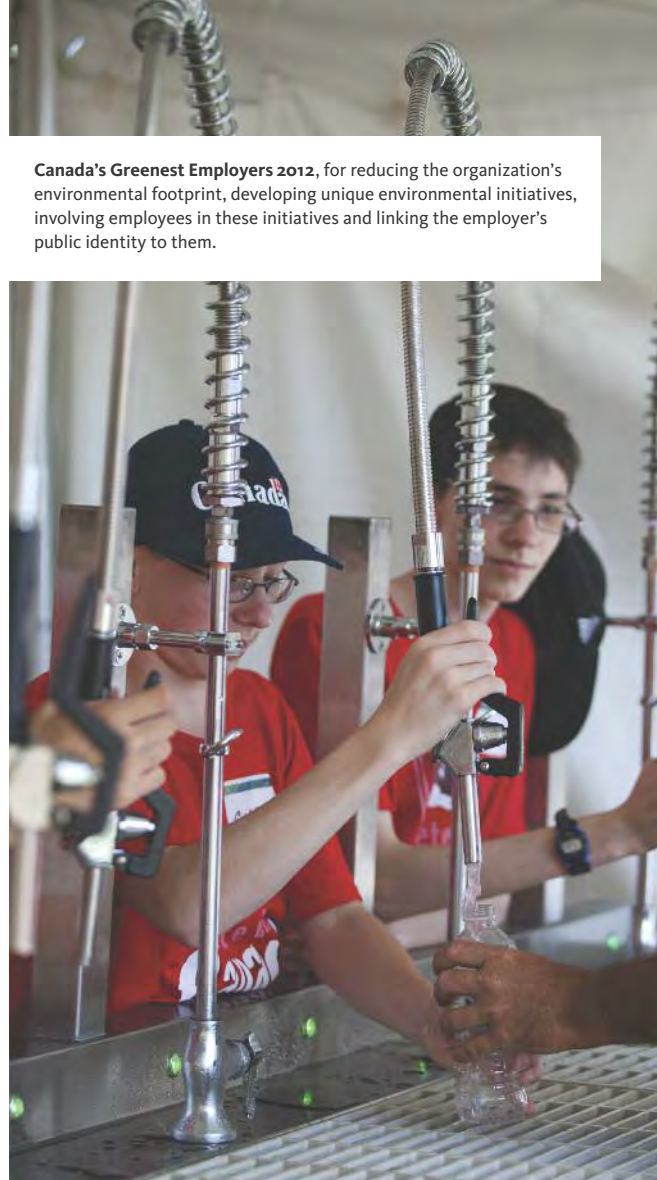


Mosaika

- Award of Excellence 2011, Interpretation Canada
- 2012 Top 100 Ontario Festivals, Festivals and Events Ontario
- Tourism Innovator of the Year, 2011 Ontario Tourism Industry Awards of Excellence
- Innovation of the Year 2010, Tourisme Outaouais
- American National Association for Interpretation, 2011 Interpretive Media Award for Video (long)



Canada's Greenest Employers 2012, for reducing the organization's environmental footprint, developing unique environmental initiatives, involving employees in these initiatives and linking the employer's public identity to them.



Winterlude, Opening at the Canadian Museum of Civilization, Partnership of the Year 2010, Tourisme Outaouais

Canadian Firefighters Memorial, Canadian Society of Landscape Architects Regional Honour Award 2012 in the New Directions category





STATEMENT OF MANAGEMENT RESPONSIBILITY

The accompanying financial statements of the National Capital Commission (NCC) are the responsibility of management, and have been approved by the Board of Directors. These financial statements have been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and, where appropriate, they include amounts that have been estimated according to management's best judgment. Financial information presented elsewhere in this annual report is consistent with that shown in the financial statements.

Management has developed and maintains books of accounts, financial and management controls and information systems. These are designed to provide reasonable assurance that the NCC's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *National Capital Act*, and the by-laws of the NCC. Internal audits are conducted to assess the performance of information systems and management controls and practices.

The NCC's external auditor, the Auditor General of Canada, audits the financial statements and reports to the Minister of Foreign Affairs.

The members of the NCC's Board of Directors carry out their responsibilities for the financial statements principally through the Audit Committee, which consists of members of the Board of Directors only. This committee meets periodically with management, as well as with the internal and external auditors, to discuss the results of the audits with respect to the effectiveness of internal accounting controls and to review and discuss financial reporting matters. The external and internal auditors have full access to the Audit Committee, with or without the presence of management.



Marie Lemay, P.Eng., ing.
Chief Executive Officer



Pierre Désautels, CMA
Vice-President, Finance and Procurement,
and Chief Financial Officer

Ottawa, Canada
June 27, 2012



INDEPENDENT AUDITOR'S REPORT

To the Minister of Foreign Affairs

Report on the Financial Statements

I have audited the accompanying financial statements of the National Capital Commission, which comprise the statements of financial position as at 31 March 2012, 31 March 2011 and 1 April 2010, and the statements of operations and accumulated surplus, statements of change in net financial assets and statements of cash flows for the years ended 31 March 2012 and 31 March 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Capital Commission as at 31 March 2012, 31 March 2011 and 1 April 2010, and the results of its operations, changes in its net financial assets, and its cash flows for the years ended 31 March 2012 and 31 March 2011 in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the adoption of the new standards as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the National Capital Commission that have come to my notice during my audits of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *National Capital Act* and the by-laws of the National Capital Commission.



Maurice Laplante, CA
Assistant Auditor General
for the Auditor General of Canada

27 June 2012
Ottawa, Canada

**NATIONAL CAPITAL COMMISSION
STATEMENT OF FINANCIAL POSITION**

March 31 (in thousands of dollars)

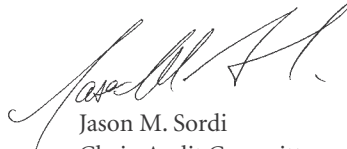
	2012	2011 (note 3)	APRIL 1, 2010 (note 3)
FINANCIAL ASSETS			
Cash and cash equivalents (note 4)	76,758	44,744	4,654
Accounts receivable			
Federal departments and agencies	2,892	4,520	3,851
Tenants and others	3,813	3,536	3,661
Investments (note 4)	49,195	101,383	121,042
	132,658	154,183	133,208
LIABILITIES			
Accounts payable and accrued liabilities			
Federal departments and agencies	1,585	3,475	1,857
Others	15,191	31,153	18,894
Provision for environmental cleanup (note 13)	42,500	42,657	39,339
Employee future benefits (note 5)	8,603	8,395	8,211
Deferred rental revenue (note 6)	4,615	4,717	4,820
Other liabilities (note 7)	4,581	4,770	4,429
	77,075	95,167	77,550
NET FINANCIAL ASSETS	55,583	59,016	55,658
NON-FINANCIAL ASSETS			
Tangible capital assets (note 8)	583,839	579,782	532,300
Prepaid expenses	3,269	2,957	2,829
Other non-financial assets (note 9)	1,730	1,907	2,085
	588,838	584,646	537,214
ACCUMULATED SURPLUS	644,421	643,662	592,872

Contractual obligations and contingent liabilities (notes 12 and 13).
The notes are an integral part of the financial statements.

Approved by the Board of Directors



Russell Mills
Chair, Board of Directors



Jason M. Sordi
Chair, Audit Committee

NATIONAL CAPITAL COMMISSION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31 (in thousands of dollars)

	2012	2012	2011	2011
	Budget	Actual	Budget	Actual
	(note 2)		(note 2)	(note 3)
REVENUES				
Rental operations and easements	19,100	19,363	18,584	22,161
Interest	2,388	2,447	1,353	2,614
Sponsorship				
Monetary	966	1,511	966	1,127
Goods and services	240	213	250	234
Headquarters sublease	1,851	2,065	1,849	1,852
User access fees	1,310	2,220	1,315	2,199
Recoveries	5,256	6,099	4,267	3,706
Other revenues	2,395	1,958	2,344	669
	33,506	35,876	30,928	34,562
EXPENSES (notes 1 and 10)				
Animating and Promoting the Capital	20,373	24,340	20,628	23,824
Capital Planning, Design and Land Use	8,481	5,828	6,633	4,340
Real Asset Management and Stewardship	90,749	81,290	90,973	82,709
Corporate Services	32,157	31,145	30,970	31,214
	151,760	142,603	149,204	142,087
Deficit before funding from the Government of Canada	(118,254)	(106,727)	(118,276)	(107,525)
Funding from the Government of Canada				
Parliamentary appropriations for operating expenditures (note 11)	78,399	84,290	83,173	83,467
Parliamentary appropriations for tangible capital assets (note 11)	21,268	23,196	13,734	74,848
	99,667	107,486	96,907	158,315
Surplus (deficit) for the year	(18,587)	759	(21,369)	50,790
Accumulated surplus at beginning of year		643,662		592,872
Accumulated surplus at end of year		644,421		643,662

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31 (in thousands of dollars)

	2012	2012	2011	2011
	Budget	Actual	Budget	Actual
	(note 2)		(note 2)	
Surplus (deficit) for the year	(18,587)	759	(21,369)	50,790
Acquisition and improvement of tangible capital assets (note 8)	(33,195)	(25,831)	(86,143)	(72,630)
Amortization of tangible capital assets (note 8)	23,246	21,557	20,401	20,307
Net (gain)/loss on sale of tangible capital assets	(1,400)	189	(1,400)	1,599
Proceeds from disposal of tangible capital assets	2,000	28	2,000	982
Writedowns of tangible capital assets	—	—	—	2,260
	(9,349)	(4,057)	(65,142)	(47,482)
Change in prepaid expenses	—	(312)	—	(128)
Change in other non-financial assets	177	177	177	178
	177	(135)	177	50
Increase (decrease) in net financial assets	(27,759)	(3,433)	(86,334)	3,358
Net financial assets at beginning of year		59,016		55,658
Net financial assets at end of year		55,583		59,016

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION
STATEMENT OF CASH FLOWS

For the year ended March 31 (in thousands of dollars)

	2012	2011 (note 3)
OPERATING ACTIVITIES		
Cash receipts from parliamentary appropriations for operating expenditures	84,008	83,428
Cash receipts from rental operations and easements	19,629	19,271
Cash receipts from other operations	15,231	9,000
Cash paid to suppliers	(76,108)	(64,141)
Cash paid to employees	(50,566)	(49,083)
Interest received	2,867	2,311
Disbursements for contaminated sites	(868)	(1,377)
Cash flows used by operating activities	(5,807)	(591)
CAPITAL ACTIVITIES		
Cash receipts from parliamentary appropriations for tangible capital assets	23,196	74,848
Acquisition and improvements of tangible capital assets	(36,395)	(54,020)
Proceeds on disposal of tangible capital assets	28	982
Disbursements for environmental cleanup	(816)	(1,023)
Cash flows provided (used) by capital activities	(13,987)	20,787
INVESTING ACTIVITIES		
Disbursements for investments purchased	(41,445)	(150,426)
Cash receipts from investments sold	93,253	170,320
Cash flows provided by investing activities	51,808	19,894
Increase in cash and cash equivalents	32,014	40,090
Cash and cash equivalents at beginning of year	44,744	4,654
Cash and cash equivalents at end of year	76,758	44,744

The notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2012

1. AUTHORITY AND OBJECTIVES

The National Capital Commission (NCC) was established in 1959 by the *National Capital Act* (1958). The NCC is an agent Crown corporation without share capital named in Part I of Schedule III to the *Financial Administration Act*, and is not subject to the requirements of the *Income Tax Act*. The objects and purposes of the NCC, as stated in the *National Capital Act* as amended in 1988, are the following:

- a. to prepare plans for and assist in the development, conservation and improvement of the National Capital Region in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance; and
- b. to organize, sponsor or promote such public activities and events in the National Capital Region as will enrich the cultural and social fabric of Canada, taking into account the federal character of Canada, the equality of status of the official languages of Canada and the heritage of the people of Canada.

As well as these objectives, in 1988, the Act gave the NCC an important additional power: to coordinate the policies and programs of the Government of Canada with respect to the organization, sponsorship or promotion by departments of public activities and events related to the National Capital Region.

The NCC is also responsible for the management and maintenance of the capital assets of the official residences located in the National Capital Region. It created the Canadiana Fund to encourage Canadians to participate in the enhancement of the state areas of the official residences through public donations of furnishings, paintings and works of art, or the funds to purchase them. Pieces chosen should reflect Canada's heritage, artistic traditions and historical associations, or complement the architectural style of a particular residence.

Program Activity Definitions and Objectives

The NCC delivers its mandate through four program activities, which form the structure on which the NCC bases its reporting to Parliament and to Canadians; each program activity has an expected result. The following are the objectives for each program activity.

Animating and Promoting the Capital The objective of this program activity is to generate pride and promote unity through programming in the Capital. The main products are a series of high-impact events (notably Canada Day and Winterlude), interpretation programs and commemorations. As well, this activity works to increase Canada-wide awareness of the Capital by means of national marketing and communications campaigns that present the Capital as a place where Canadians can experience Canadian heritage, culture and achievements.

Capital Planning, Design and Land Use This program activity guides the use and physical development of federal lands, coordinates development, and ensures excellence in design and planning on federal lands in order that they are appropriate to the role and significance of the Capital. Products include long-term visionary plans to guide land uses, development and management of the Capital's lands, as well as the identification of the National Interest Land Mass to be held in trust for future generations. The NCC is responsible for the review and approval of all proposals for land-use changes, designs and land disposals on federal lands in Canada's Capital Region, in order to ensure that they are appropriate to the Capital's significance, natural environment and heritage. The NCC develops strategies and facilitates federal involvement in transportation and transit in Canada's Capital Region, and participates in joint studies with provincial and municipal partners to address interprovincial and urban transportation issues. Programs also include the management of built heritage, cultural landscapes, and archaeological assets and collections, as well as approval of heritage building designations in the Capital.

Real Asset Management and Stewardship The NCC manages and protects physical assets of national significance in Canada's Capital Region as a legacy for future generations of Canadians. Its objectives are to enhance the rich cultural heritage and natural environment of Canada's Capital and to optimize the contribution of the NCC's extensive lands and buildings in support of the corporation's programs and mandate, while ensuring that NCC assets are appropriately accessible to the public. Environmental assets and liabilities are managed in a sustainable and responsible manner. The NCC's duties with regard to its real asset base include safeguarding and preserving the Capital's most treasured cultural, natural and heritage assets; the promotion and regulation of public activities on federal lands; natural resource protection and management; environmental stewardship; and the delivery of visitor and recreational services and programs. The NCC manages its assets through a life cycle maintenance and rehabilitation program and, where appropriate, the assets are used to generate a stream of revenues to complement federal appropriations in supporting the work of the corporation. Land development projects are carried out to enhance the Capital for future generations. This program activity is also responsible for the acquisition of national interest properties and the disposal of surplus properties. The NCC also makes payments in lieu of taxes to municipalities and school boards in Quebec.

Corporate Services This program activity promotes the efficient and productive use of resources through centrally provided corporate services to all business lines. It produces legislatively required documents and reports. It conducts internal audits, evaluations and research. It supplies financial, technical, legal, communications and administrative support to the NCC; and manages human resources.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Adoption of new accounting standards

i. Public Sector Accounting Standards

As of April 1, 2011, the NCC adopted the Canadian public sector accounting standards (PSAS). Please refer to note 3 for more details.

ii. Section PS 3410 — Government Transfers

As of April 1, 2011, the NCC implemented the early adoption of Public Sector Accounting Handbook Section PS 3410, “Government Transfers.” This new section establishes standards on how to account for and report government transfers from both a transferring government and a recipient government perspective. The adoption of this new standard had an impact on the operating results and on the financial position, because the recognition and presentation of parliamentary appropriations for tangible capital assets were modified. Please refer to note 3 for more details.

iii. Section PS 3450 — Financial Instruments

As of April 1, 2011, the NCC implemented the early adoption of Public Sector Accounting Handbook Section PS 3450, “Financial Instruments.” This new standard provides guidance for the recognition, measurement and disclosure of financial instruments. The transitional provisions in the standard state that, when a government organization applies this standard in the same period it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the NCC immediately preceding its adoption of PSAS. The adoption of this new standard had an impact on the operating results and on the financial position, because the long-term investments are now valued at amortized cost using the effective interest rate method, as opposed to fair value. There was also an impact on the information disclosed in note 14.

iv. Section PS 1201 — Financial Statement Presentation

As of April 1, 2011, the NCC adopted Public Sector Accounting Handbook Section PS 1201, “Financial Statement Presentation.” This section establishes general reporting principles and standards for the disclosure of information in financial statements. This standard is applicable to fiscal periods where Public Sector Accounting Handbook Section PS 3450, “Financial Instruments” is adopted. The adoption of this section did not have an impact on the results of operations or the financial position of the NCC.

v. Section PS 3041 — Portfolio Investments

As of April 1, 2011, the NCC adopted Public Sector Accounting Handbook Section PS 3041, “Portfolio Investments.” This section establishes standards on how to account for and report portfolio investments in government financial statements. This standard is applicable to fiscal periods where Public Sector Accounting Handbook Section PS 3450, “Financial Instruments” is adopted. The adoption of this section did not have an impact on the results of operations or the financial position of the NCC. However, it had an impact on the investments presentation, since temporary investments that are not cash equivalents are now accounted for as portfolio investments.

B. Basis of accounting

These financial statements are prepared in accordance with Canadian PSAS established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and reflect the policies below.

Both financial and non-financial assets are reported on the statement of financial position. Non-financial assets are normally employed to provide future services, and are charged to expense through amortization or upon utilization. Non-financial assets are not taken into consideration when determining the net financial assets, but rather are added to the net financial assets to determine the accumulated surplus.

No intangibles are recognized in the financial statements.

Measurement Uncertainty The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of financial assets, liabilities and non-financial assets at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Provision for environmental cleanup, employee future benefits, unsettled land exchanges, estimated useful lives of tangible capital assets, tangible capital asset impairment loss and contingent liabilities are the most significant items for which estimates are used. Actual results could materially differ from those estimates.

Budget Figures The 2011–2012 and 2010–2011 budgets are reflected in the statement of operations and accumulated surplus, and the statement of change in net financial assets. Budget data presented in these financial statements is based upon the 2011–2012 projections and estimates used to establish the financial tables presented in the *2011–2012 to 2015–2016 Corporate Plan*, where the 2010–2011 figures come from the *2010–2011 to 2014–2015 Corporate Plan*.

C. Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments. These investments purchased three months or less from maturity are recorded at cost.

D. Investments

Included in investments are short-term portfolio investments with a maturity of less than 365 days, as well as long-term portfolio investments with a maturity of more than 365 days. Short-term investments are composed of money market instruments, such as bankers' acceptances and bearer deposit notes, where long-term investments are composed of bonds of the Government of Canada and of provincial governments. Investments are recorded at amortized cost using the effective interest rate method. Transaction costs are added to the carrying value of investments when they are initially recognized. At each financial statement date, the NCC assesses the investments to determine if there is any objective evidence of impairment and, if any such evidence exists, the impairment loss would be reported in the statement of operations and accumulated surplus.

E. Assets held for sale

The NCC recognizes an asset held for sale when all of the following criteria are met: prior to the date of the financial statements, the sale of the asset is approved, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset and it is reasonably anticipated that the sale to a purchaser external to the NCC reporting entity will be completed within one year of the financial statement date. The asset held for sale is measured at the lower of its carrying amount or fair value less cost to sell.

F. Provision for environmental cleanup

The NCC records a provision for environmental cleanup in situations where it is obligated or is likely to be obligated to incur costs related to the management and remediation of contaminated sites, and the cost can be reasonably estimated following a detailed environmental assessment. Remediation costs are capitalized, if contamination occurred before acquisition, and are charged to the cost of operations of the year, if contamination occurred after acquisition. Management costs of contaminated sites are charged to the cost of operations of the year. If the likelihood of the obligation to incur these costs is high, but the amount of the loss cannot be reasonably estimated, or the likelihood of the obligation to incur these costs is not determinable, the contingent liability is disclosed in the notes to the financial statements.

The NCC is obligated, or is likely to be obligated, to incur such costs for reasons of public health and safety, due to contractual obligations, or to meet standards set out in an act or regulation of a government in Canada. The NCC is likely to be obligated to incur such costs when elements, in particular public documents, as well as Treasury Board decisions, demonstrate a duty or responsibility to others that obligates the NCC, leaving it little or no discretion to avoid incurring these costs.

The costs related to management and remediation of contaminated sites may vary depending on the land use determined during the urban planning process and development of Canada's Capital Region. These costs are accreted each year to reflect the time value of money, adjusted for changes in new environmental assessments, and reduced by the actual costs incurred.

G. Employee future benefits

i. Pension Benefits

Substantially all employees of the NCC are covered by the Public Service Pension Plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the NCC to cover current service cost. Pursuant to legislation currently in place, the NCC has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service, and represent the total NCC pension obligation.

ii. Other Benefit Plans

Severance benefits and workers’ compensation benefits represent the obligations of the NCC that entail settlement by future payments.

Severance Benefits Employees are entitled to severance benefits, as provided for under collective agreements and the terms of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The cost of the benefits earned by employees is actuarially determined, using the projected benefit method, prorated on services. The valuation of the liability is based upon a current market-related discount rate and salary projections, as well as demographic assumptions. This represents management’s best long-term estimates. Actuarial losses arise from changes in actuarial assumptions used to determine the accrued benefit obligation, and are amortized on the expected average remaining service period of active employees covered by this plan, which is 13 years and 12 years, respectively, for the years ended March 31, 2012, and March 31, 2011.

Workers’ Compensation Benefits Workers’ compensation benefits represent for the NCC an obligation that entails settlement by future payment. The NCC is subject to the *Government Employees Compensation Act* and, therefore, is not mandatorily covered under any provincial workers’ compensation acts. As a self-insured employer, the NCC is accountable for the obligation assumed since its establishment. The NCC’s obligations, for workers’ compensation benefits and post-employment benefits for employees in receipt of long-term disability benefits, are based on known awarded disability and survivor pensions and other potential future awards with respect to accidents that occurred up to the measurement date. The obligation is determined using management’s best estimates and actuarial data obtained from the Workplace Safety and Insurance Board of Ontario.

H. Deferred rent inducement

The NCC currently leases its headquarters office space. Moving expenses and major leasehold improvements incurred by the lessor under the lease and to accommodate NCC needs have been recorded as deferred rent inducement as at the effective date of the lease, and are amortized over the term of the lease. The amortization of the rent inducement is recorded against the “Goods and services” expense.

I. Tangible capital assets

Tangible capital assets are recorded at cost. When conditions indicate that a tangible capital asset no longer contributes to the NCC's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net writedown is then accounted for as expense in the statement of operations and accumulated surplus.

Improvements that extend the useful life of buildings, infrastructure and equipment are capitalized and amortized according to their respective asset class. Land improvements and development costs are also capitalized.

Construction in progress represents assets that are not yet available for use and therefore are not subject to amortization.

Antiques and works of art of the NCC are not recorded as tangible capital assets in the financial statements, but instead as an expense, and are disclosed in note 10. Antiques and works of art consist mainly of monuments, paintings, furniture and sculptures.

The cost of tangible capital assets in use is amortized on a straight line basis over the estimated useful life, as follows.

Tangible Capital Assets

Buildings	20 years
Parkways, bridges and roadways	25 years
Park landscaping and improvement	20 and 25 years
Leasehold improvements	The shorter of either the term of the lease or the estimated useful life of the asset
Office equipment, machinery and equipment	5 and 10 years
Vehicles	5 years
Computers and software	3 years

J. Non-monetary transactions

In the normal course of business, the NCC regularly signs non-monetary agreements. The NCC carries out non-monetary exchanges, which are exchanges of non-monetary assets, goods or services for other non-monetary assets, goods or services with little or no monetary consideration involved. It also carries out or receives non-monetary non-reciprocal transfers, which are transfers of non-monetary assets, goods or services without consideration. When a non-monetary transaction has a commercial substance for the NCC, the transaction is recorded at the fair value of the asset, good or service given up, unless the fair value of the asset, good or service received is more reliable. If the transaction lacks commercial substance, it is recorded at the carrying amount of the asset, good or service given up. Gains resulting from non-monetary non-reciprocal transfers are recognized in the statement of operations and accumulated surplus as other revenues.

A non-monetary transaction has commercial substance for the NCC when its future cash flows are expected to change significantly as a result of the transaction. It is significant when the configuration of the future cash flows of the asset, good or service received differs significantly from the configuration of the cash flows of the asset, good or service given up. It is also significant when the NCC specific value of the asset, good or service received differs from the NCC specific value of the asset, good or service given up, and the difference is significant relative to the fair value of the assets, goods or services exchanged.

Finally, the NCC may receive without charge services provided by some government agencies. These services are not recognized in the NCC's statement of operations and accumulated surplus.

K. Revenue recognition

Revenue arises from rental operations and easements, net gain on disposal of tangible capital assets, interest, sponsorship, headquarters sublease, user access fees, recoveries, and other revenues, such as merchandising and advertising sales, concession revenue, contributions, and gains resulting from non-related party donations not subject to externally imposed stipulations.

The NCC recognizes revenue when the transactions or events giving rise to the revenues occur. Normally, revenues are recognized when persuasive evidence of an arrangement exists, services have been provided or goods have been delivered, the amount is fixed and determinable, and collection is reasonably assured. The NCC also recognizes deferred revenue when payments are received in advance.

L. Parliamentary appropriations

The NCC obtains an important part of its funding through parliamentary appropriations. The NCC receives parliamentary appropriations for operating expenditures and parliamentary appropriations for tangible capital assets. These parliamentary appropriations are free of any stipulations limiting their use, and are recorded as funding from the Government of Canada in the statement of operations and accumulated surplus, up to the authorized amount, where eligibility criteria have been met.

M. Financial instruments

The NCC identifies, assesses and manages financial risks in order to minimize their impact on the NCC's results and financial position. The NCC manages its financial risks in accordance with specific criteria, as disclosed in note 14, and does not engage in speculative transactions or use derivative financial instruments.

Financial assets and financial liabilities are measured at amortized cost. Financial assets consist of cash and cash equivalents, accounts receivable and investments, while financial liabilities consist of accounts payable and accrued liabilities and unsettled expropriation of property.

3. TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Prior to the 2011–2012 financial statements, the NCC classified itself as a “government business-type organization” and followed the recommendations of the Canadian Institute of Chartered Accountants Accounting Handbook — Part V (i.e. generally accepted accounting principles). In October 2009, the Public Sector Accounting Board determined that the “government business-type organization” category would cease to exist for fiscal years starting January 1, 2011; government business-type organizations were required to reclassify themselves in accordance with PSAS. In accordance with recommendations of the Public Sector Accounting Handbook, the NCC has determined that it is an “other government organization,” and that PSAS is the most appropriate framework for reporting purposes.

Unless otherwise directed, the adoption of PSAS is accounted for by retroactive application with restatement of prior periods. The following is a summary of the main presentation differences for the NCC between its previous financial statements prepared under generally accepted accounting principles (GAAP) and current financial statements prepared under PSAS.

The balance sheet has been replaced by the statement of financial position, segregating financial and non-financial assets, as well as the net financial assets (liabilities less financial assets) of the NCC; and accumulated surplus at the statement of financial position date.

The statement of operations and comprehensive income for the year ended March 31, 2011, has been replaced by the statement of operations and accumulated surplus, reporting both revenues and expenses. A comparison of the actual results with the original comparative budget is now disclosed.

The statement of equity has been replaced by the statement of change in net financial assets, which reports the extent to which the expenditures of the accounting period are offset by the revenues recognized in the period, as well as acquisitions of tangible capital assets and other items explaining the difference between the surplus/deficit of the period and the change in net financial assets for the period. A comparison of the actual results with the original comparative budget is also required and disclosed.

The statement of cash flows now presents a new category for capital activities. Cash transactions relating to tangible capital assets, which were previously presented under investing activities, are now presented under capital activities.

As at April 1, 2011, the NCC implemented the early adoption of three new sections from the *Public Sector Accounting Handbook*, which are sections PS 3450 — “Financial Instruments,” PS 1201 — “Financial Statement Presentation” and PS 3041 — “Portfolio Investments.” In accordance with PSAS, the NCC did not apply these handbook sections retroactively since, in the same period, it also adopted PSAS for the first time. Comparative amounts of portfolio investments are now presented in accordance with the accounting policies applied by the NCC immediately preceding its adoption of PSAS, and became the deemed amortized cost as at April 1, 2011.

The following tables present the reconciliation of account balances and transactions from the previous and current reporting.

RECONCILIATION OF THE APRIL 1, 2010 STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

	Notes	Financial position as per GAAP*	Variation to accumulated surplus	Reclassification	Financial position as per PSAS*
FINANCIAL ASSETS					
Cash and cash equivalents		4,654			4,654
Accounts receivable					
Federal departments and agencies		3,851			3,851
Tenants and others	A	3,838		(177)	3,661
Investments		121,042			121,042
		133,385	–	(177)	133,208
LIABILITIES					
Accounts payable and accrued liabilities					
Federal departments and agencies		1,857			1,857
Others	A	20,218		(1,324)	18,894
Deferred capital funding	B	236,163	(236,163)		–
Provision for environmental cleanup		39,339			39,339
Employee future benefits	A, C	6,659	802	750	8,211
Deferred rental revenue	A	4,717		103	4,820
Other liabilities	A	3,958		471	4,429
		312,911	(235,361)	–	77,550
NET FINANCIAL ASSETS (NET DEBT)		(179,526)	235,361	(177)	55,658
NON-FINANCIAL ASSETS					
Tangible capital assets	D	544,946	(12,646)		532,300
Prepaid expenses		2,829			2,829
Other non-financial assets	A	1,908		177	2,085
		549,683	(12,646)	177	537,214
ACCUMULATED SURPLUS	I.1	370,157	222,715	–	592,872

* As of April 1, 2010

RECONCILIATION OF THE MARCH 31, 2011 STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

	Notes	Financial position as per GAAP*	Variation to accumulated surplus	Reclassification	Financial position as per PSAS*
FINANCIAL ASSETS					
Cash and cash equivalents		44,744			44,744
Accounts receivable					
Federal departments and agencies		4,520			4,520
Tenants and others	A	3,713		(177)	3,536
Investments		101,383			101,383
		154,360	–	(177)	154,183
LIABILITIES					
Accounts payable and accrued liabilities					
Federal departments and agencies		3,475			3,475
Others	A	32,006		(853)	31,153
Deferred capital funding	B	287,335	(287,335)		–
Provision for environmental cleanup		42,657			42,657
Employee future benefits	A, C	6,852	793	750	8,395
Deferred rental revenue	A	4,614		103	4,717
Other liabilities		4,770			4,770
		381,709	(286,542)	–	95,167
NET FINANCIAL ASSETS (NET DEBT)		(227,349)	286,542	(177)	59,016
NON-FINANCIAL ASSETS					
Tangible capital assets	D	593,603	(13,821)		579,782
Prepaid expenses		2,957			2,957
Other non-financial assets	A	1,730		177	1,907
		598,290	(13,821)	177	584,646
ACCUMULATED SURPLUS	I.2	370,941	272,721	–	643,662

* As of March 31, 2011

RECONCILIATION OF THE STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31, 2011 (in thousands of dollars)

	Notes	Statement of operations as per GAAP*	Variation to accumulated surplus	Statement of operations as per PSAS*
REVENUES				
Rental operations and easements		22,161		22,161
Interest		2,614		2,614
Sponsorship				
Monetary		1,127		1,127
Goods and services		234		234
Headquarters sublease		1,852		1,852
User access fees		2,199		2,199
Recoveries		3,706		3,706
Other revenues		669		669
		34,562	–	34,562
EXPENSES				
Animating and Promoting the Capital	I.3	22,692	1,132	23,824
Capital Planning, Design and Land Use		4,340		4,340
Real Asset Management and Stewardship	I.3	82,666	43	82,709
Corporate Services	I.3	31,223	(9)	31,214
		140,921	1,166	142,087
Deficit before Government of Canada funding		(106,359)	(1,166)	(107,525)
Parliamentary appropriations for operating expenditures		83,467		83,467
Parliamentary appropriations for tangible capital assets	I.3	20,726	54,122	74,848
		104,193	54,122	158,315
Annual surplus (deficit)	I.3	(2,166)	52,956	50,790
Accumulated surplus at beginning of year		370,157	222,715	592,872
Parliamentary appropriations for non-depreciable tangible capital assets		2,950	(2,950)	–
Accumulated surplus at end of year		370,941	272,721	643,662

* For the year ended March 31, 2011

RECONCILIATION OF THE STATEMENT OF CASH FLOWS

For the year ended March 31, 2011 (in thousands of dollars)

	Notes	Statement of cash flows as per GAAP*	Adjustments	Statement of cash flows as per PSAS*
OPERATING ACTIVITIES				
Cash receipts from parliamentary appropriations for operating activities		83,428		83,428
Cash receipts from rental operations and easements		19,271		19,271
Cash receipts from other operations		9,000		9,000
Cash paid to suppliers	D, E	(62,966)	(1,175)	(64,141)
Cash paid to employees	E	(49,083)		(49,083)
Interest received		2,311		2,311
Disbursements for contaminated sites		(1,377)		(1,377)
Cash flows provided (used) by operating activities		584	(1,175)	(591)
CAPITAL ACTIVITIES				
Cash receipts from parliamentary appropriations for tangible capital assets	F		74,848	74,848
Acquisition and improvement of tangible capital assets	D, G	(55,195)	1,175	(54,020)
Proceeds on disposal of tangible capital assets		982		982
Disbursements for environmental cleanup		(1,023)		(1,023)
Cash flows provided (used) by capital activities		(55,236)	76,023	20,787
INVESTING ACTIVITIES				
Disbursements for investments purchased	H	(150,426)		(150,426)
Cash receipts from investments sold	H	170,320		170,320
Cash flows provided by investing activities		19,894	–	19,894
FINANCING ACTIVITIES				
Cash receipts from parliamentary appropriations for tangible capital assets	F	74,848	(74,848)	–
Cash flows provided by financing activities		74,848	(74,848)	–
Increase in cash and cash equivalents		40,090	–	40,090
Cash and cash equivalents at beginning of year		4,654	–	4,654
Cash and cash equivalents at end of year		44,744	–	44,744

* For the year ended March 31, 2011

A. Reclassification

Current assets and liabilities are not presented under PSAS. Therefore, the current portion of the other non-financial assets previously presented with the accounts receivable and various deferred rental revenue and the employee future benefits previously presented with accounts payable and accrued liabilities were reclassified to the appropriate balances.

B. Deferred capital funding

Under GAAP, the parliamentary appropriations received for tangible capital assets were deferred and amortized to income at the same rate at which the related assets were amortized.

Under PSAS, the NCC implemented the early adoption of Handbook Section PS 3410 — “Government Transfers,” and this section was applied retroactively. Under the new standard, parliamentary appropriations received for tangible capital assets are recognized as funding from the Government of Canada, up to the authorized amount, where eligibility criteria have been met. As a result, the NCC adjusted the deferred capital funding balances as of April 1, 2010, and March 31, 2011.

C. Employee future benefits

According to PSAS, the actuarial gains and losses should be amortized over the expected average remaining service life of the related employee group. The NCC decided to use the first-time adopter exemption to recognize the cumulative actuarial loss as at the date of transition to PSAS directly in accumulated surplus. Therefore, the NCC adjusted the balances as of April 1, 2010, and March 31, 2011.

According to PSAS, accrued benefit obligations are determined by the NCC by applying a discount rate with reference to its cost of borrowing. However, the NCC has elected to delay the application of the discount rate used until the next actuarial valuation. The next valuation will be carried out as at March 31, 2013, or before, if the effect of any change on the plan obligation is significant.

D. Tangible capital assets

According to PSAS, tangible capital assets include software, which is considered to be an intangible asset under GAAP. Therefore, property and equipment, which amounted to \$592.6 million, and intangible assets, which amounted to \$1.0 million, disclosed separately under GAAP were merged under the heading “Tangible capital assets” in the statement of financial position as at March 31, 2011.

According to PSAS, antiques and works of art are not considered to be tangible capital assets. The NCC received several donations through the Canadiana Fund that are mainly antiques and works of art; it has also built and acquired various monuments over the years. Therefore, the NCC had to write off those assets as of April 1, 2010, and March 31, 2011.

Antiques and works of art will now be presented with the operating activities in the statement of cash flows, whereas this information was presented with investing activities under GAAP. Therefore, the statement of cash flows for the year ended March 31, 2011, was restated, increasing by \$1.2 million the cash paid to suppliers, and decreasing the acquisition and improvements of tangible capital assets by the same amount.

The NCC decided to use the first-time adopter exemption, and applied on a prospective basis from the date of transition, the conditions for a writedown of a tangible capital asset. Following this application, no writedown was recognized.

E. Cash paid to suppliers and employees

According to PSAS, cash paid to suppliers and to the employees has to be presented separately in the statement of cash flows. Therefore, the cash paid to suppliers during the year ended March 31, 2011, under GAAP, which amounted to \$62.9 million, and the cash paid to employees during the same period, which amounted to \$49.1 million, are now presented separately.

F. Cash receipts from parliamentary appropriations for tangible capital assets

According to PSAS, parliamentary appropriations for tangible capital assets are considered capital activities, as opposed to financing activities. Therefore, the statement of cash flows for the year ended March 31, 2011, was restated, which increased the capital activities by \$74.8 million, and decreased the financing activities by the same amount.

G. Acquisition and improvements of tangible capital assets

According to PSAS, tangible capital assets include software, which is considered to be an intangible asset under GAAP. Therefore, the purchases and improvements to property and equipment, which amounted to \$54.5 million, and the purchases and development of intangible assets, which amounted to \$0.7 million, were merged in the statement of cash flows for the year ended March 31, 2011, under acquisition and improvement of tangible capital assets.

H. Investing activities

According to PSAS, temporary investments that are not cash equivalents are now accounted for as portfolio investments, as opposed to being accounted for as short-term and long-term investments under GAAP. Therefore, the investing activities presented in the statement of cash flows for the year ended March 31, 2011, were merged under disbursements for investments purchased and cash receipts from investments sold.

I. Reconciliation of the accumulated surplus

(in thousands of dollars)

	Notes	
I.1 Accumulated surplus as of April 1, 2010 as per GAAP		370,157
Write-off of deferred capital funding	B	236,163
Recognition of actuarial gains and losses on employee future benefits	C	(802)
Write-off of antiques and works of art	D	(12,646)
		222,715
Accumulated surplus as of April 1, 2010 as per PSAS		592,872
I.2 Accumulated surplus as of March 31, 2011 as per GAAP		370,941
Write-off of deferred capital funding	B	287,335
Recognition of actuarial gains and losses on employee future benefits	C	(793)
Write-off of antiques and works of art	D	(13,821)
		272,721
Accumulated surplus as of March 31, 2011 as per PSAS		643,662
I.3 Annual deficit as of March 31, 2011 as per GAAP		(2,166)
Write-off of deferred capital funding		54,122
Recognition of actuarial gains and losses on employee future benefits		9
Write-off of antiques and works of art		(1,175)
		52,956
Annual surplus as of March 31, 2011 as per PSAS		50,790

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The NCC's policy is to invest excess cash in guaranteed investment certificates, bankers' acceptances, guaranteed notes, term deposits, and securities of the Government of Canada or of a provincial government. These types of investments are purchased from a member of the Canadian Payments Association and are redeemable on short notice.

A. Cash and cash equivalents

As at March 31, 2012, the cash and cash equivalents include \$76.8 million (\$39.2 million in 2011, \$4.7 million at April 1, 2010) in cash. In addition, as at March 31, 2011, cash and cash equivalents included bankers' acceptances and bearer deposit notes with maturities of three months or less, which amounted to \$5.5 million (nil at April 1, 2010) at a weighted average interest rate of 1.1 percent.

B. Investments

As at March 31, 2012, short-term portfolio investments include bankers' acceptances and bearer deposit notes, which amounted to \$21.5 million (\$73.8 million in 2011, \$94.1 million at April 1, 2010) at a weighted average interest rate of 1.5 percent (1.4 percent in 2011, 0.6 percent at April 1, 2010) and have an average term-to-maturity of 12 months (10 months in 2011, 12 months at April 1, 2010).

As at March 31, 2012, long-term portfolio investments include bonds of the Government of Canada and of provincial governments, which amounted to \$27.7 million (\$27.6 million in 2011, \$26.9 million at April 1, 2010) at a weighted average interest rate of 3.9 percent (4.0 percent in 2011, 4.0 percent at April 1, 2010).

(in thousands of dollars)

	2012		2011 ¹	APRIL 1, 2010 ¹
	Cost	Quoted Market Value		
Federal government	1,121	1,137	1,176	1,213
Provincial governments	26,583	28,041	55,184	68,244
Bankers' acceptances and bearer deposit notes	21,488	21,497	44,957	51,360
Other	3	3	66	225
	49,195	50,678	101,383	121,042

1. These amounts include short-term investments measured at amortized cost using the effective interest rate method, which is comparable to quoted market value and long-term investments measured at quoted market value.

C. Designated funds

As at March 31, 2012, included in the cash and cash equivalents, short-term and long-term investments mentioned above, \$36.5 million (nil in 2011, nil at April 1, 2010), \$21.5 million (\$61.4 million in 2011, 60.7 million at April 1, 2010) and \$7.9 million (\$7.7 million in 2011, \$7.3 million at April 1, 2010), respectively, are designated. Restricted investments include funds whose use is designated or limited to the sole purpose for which they have been segregated. The following funds are segregated:

- i. cash donations received for the Canadiana Fund in the amount of \$9,319 (\$9,226 in 2011, \$9,163 at April 1, 2010);
- ii. funds of \$0.9 million (\$1.1 million in 2011, \$1.7 million at April 1, 2010) for the revitalization of Sparks Street in Ottawa;
- iii. funds of \$4.7 million (\$2.9 million in 2011, \$2.1 million at April 1, 2010) for the rehabilitation of the official residences;
- iv. funds of \$10.6 million (\$11.7 million in 2011, \$11.7 million at April 1, 2010) for the redevelopment of LeBreton Flats;
- v. funds of \$2.4 million (\$2.4 million in 2011, \$2.4 million at April 1, 2010) for the redevelopment of industrial lands on the north shore of the Ottawa River;
- vi. funds of \$10.0 million (\$10.0 million in 2011, \$10.0 million at April 1, 2010) for improvements to the shoreline area of Jacques-Cartier Street in Gatineau; and
- vii. funds of \$37.3 million (\$38.0 million in 2011, \$40.1 million at April 1, 2010) to acquire real property or to support other major programs, as may be authorized by Treasury Board of Canada Secretariat and the Governor-in-Council. During the period, proceeds on disposal and interest revenues amounted to \$0.5 million (\$1.4 million in 2011, \$3.0 million at April 1, 2010), whereas acquisition and disposal expenses were \$1.2 million (\$3.5 million in 2011, \$6.2 million at April 1, 2010).

5. EMPLOYEE FUTURE BENEFIT

A. Pension benefits

Substantially all of the employees of the NCC are covered by the Public Service Pension Plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the NCC. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees’ required contribution. The general contribution rate effective at year-end was 1.74 (1.86 in 2011). The NCC’s and employees’ contributions to the Plan for the year were as follows.

(in thousands of dollars)

	2012	2011
NCC’s contributions	5,351	5,752
Employees’ contributions	2,818	3,171

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Quebec Pension Plan benefits, and they are indexed to inflation.

B. Severance and workers’ compensation benefits

The NCC provides severance benefits to its employees, based on years of service and final salary. The NCC also provides workers’ compensation benefits, based on benefits determined by the Workplace Safety and Insurance Board of Ontario. The accrued benefit obligation for these plans amounts to \$9.0 million (\$8.3 million in 2011, 8.2 million at April 1, 2010), while the unamortized actuarial loss amounts to \$359,849 (unamortized actuarial gain of \$86,386 in 2011). Therefore, the accrued benefit liability for these plans amounts to \$8.6 million (\$8.4 million in 2011, \$8.2 million at April 1, 2010), and is included in the table below.

These other benefit plans are not pre-funded, and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from the NCC’s future appropriations and other sources of revenue. Information about the plan, measured as at the statement of financial position date, is as follows.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Accrued benefit liability, beginning of year	8,395	8,211	7,409
Cost for the year	739	530	–
Interest cost	333	335	–
Amortization of net (actuarial gain) /actuarial loss	(7)	1	–
Benefits paid during the year	(857)	(682)	–
Adjustment due to transition to PSAS	–	–	802
Accrued benefits liability, end of year	8,603	8,395	8,211

The severance benefits obligation and the expense for the year are determined by the NCC's actuary, using management's best estimates. The significant actuarial assumptions used to measure the NCC's obligation concern the discount rate (4.77 percent in 2012, 4.91 percent in 2011 and 4.00 percent at April 1, 2010), the compensation increase rate (1.5 percent in 2012, 1.5 percent in 2011 and 1.5 percent at April 1, 2010) and the workforce composition. The demographic assumptions, such as retirement rates and mortality rates, were taken from the actuarial valuation of the Public Service Pension Plan as at March 31, 2008.

The most recent actuarial valuation made by the NCC's actuary for the severance benefits was performed as at March 31, 2011. The next valuation will be carried out as at March 31, 2013, or before, if the effect of any change on the plan obligation is significant.

The value of the accrued obligation for workers' compensation is determined using data from the Workplace Safety and Insurance Board of Ontario.

6. DEFERRED RENTAL REVENUE

The deferred rental revenue represents the present value of the minimum future lease payments the NCC has collected under land lease agreements. The present value was established using discount rates of 6.01 percent and 6.5 percent. This deferred rental revenue will be recognized in income over the term of the lease agreements, which have different termination dates, with the latest ending in 2068. During the year, \$0.1 million (\$0.1 million in 2011) of deferred rental revenue was recognized in income.

7. OTHER LIABILITIES

Other liabilities comprise the following.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Deferred rent inducement	1,400	1,583	1,765
Unsettled land exchanges ¹	2,626	2,626	1,626
Unsettled expropriation ²	176	173	170
Other liabilities	379	388	868
	4,581	4,770	4,429

1. The unsettled land exchanges will be completed when the third parties involved in the exchanges are ready to receive the goods and/or services under the agreements.

2. The unsettled expropriation is payable on demand.

8. TANGIBLE CAPITAL ASSETS

March 31, 2012 (in thousands of dollars)

	COST				ACCUMULATED AMORTIZATION				Net Book Value
	Opening Balance	Acquisitions	Disposals / Adjustments	Closing Balance	Opening Balance	Amortization Expense	Disposals / Adjustments	Closing Balance	
Land ¹	288,948	3,118	60	292,006	—	—	—	—	292,006
Buildings and infrastructure ²									
Greenbelt	34,335	1,132	600	34,867	27,788	700	504	27,984	6,883
Gatineau Park	21,193	1,624	—	22,817	14,542	504	—	15,046	7,771
Parkways, bridges and roadways	226,319	4,583	—	230,902	129,255	6,588	—	135,843	95,059
Parks	89,461	1,460	567	90,354	43,946	2,553	492	46,007	44,347
Historical properties	92,797	5,407	—	98,204	49,540	3,105	—	52,645	45,559
Recreational properties	28,626	2,103	53	30,676	19,291	713	48	19,956	10,720
Rental properties	100,243	2,466	237	102,472	52,441	3,787	222	56,006	46,466
Development properties	22,538	518	—	23,056	9,005	940	—	9,945	13,111
Administrative and service buildings	25,546	1,523	—	27,069	14,649	708	—	15,357	11,712
Leasehold improvements	16,308	(14)	4,547	11,747	10,948	622	4,581	6,989	4,758
Equipment									
Office equipment, machinery and equipment	10,897	1,019	491	11,425	7,792	725	491	8,026	3,399
Vehicles	1,842	84	132	1,794	1,489	149	132	1,506	288
Computers and software	6,036	808	627	6,217	4,621	463	627	4,457	1,760
	965,089	25,831	7,314	983,606	385,307	21,557	7,097	399,767	583,839

1. The land cost includes \$1.8 million of unsettled expropriation and land exchanges.

2. The total cost of land, buildings and infrastructure includes \$21.4 million of construction in progress.

When completed, the cost of these projects will be amortized on the basis of their estimated useful life.

(in thousands of dollars)

	MARCH 31, 2011			APRIL 1, 2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land ¹	288,948	—	288,948	277,281
Buildings and infrastructure ²				
Greenbelt	34,335	27,788	6,547	5,706
Gatineau Park	21,193	14,542	6,651	5,054
Parkways, bridges and roadways	226,319	129,255	97,064	84,843
Parks	89,461	43,946	45,515	35,349
Historical properties	92,797	49,540	43,257	38,741
Recreational properties	28,626	19,291	9,335	5,502
Rental properties	100,243	52,441	47,802	43,893
Development properties	22,538	9,005	13,533	17,353
Administrative and service buildings	25,546	14,649	10,897	8,589
Leasehold improvements	16,308	10,948	5,360	6,272
Equipment				
Office equipment, machinery and equipment	10,897	7,792	3,105	2,438
Vehicles	1,842	1,489	353	385
Computers and software	6,036	4,621	1,415	894
	965,089	385,307	579,782	532,300

1. The land cost include \$1.8 million in 2011 (\$1.8 million at April 1, 2010) of unsettled expropriation and land exchanges.
2. The total cost of land, buildings and infrastructure includes \$41.0 million in 2011 (\$29.4 million at April 1, 2010) of construction in progress. When completed, the cost of these projects will be amortized on the basis on their estimated useful life.

9. OTHER NON-FINANCIAL ASSETS

As part of a non-monetary transaction carried out during 2001–2002, the NCC gave up properties, and is committed to render services to the former City of Hull. In exchange, the City also gave up properties and is committed until 2022 to maintain parks and roads that belong to the NCC. As of March 31, 2012, the unamortized present value of these maintenance services, discounted at the interest rate of 6.5 percent, amounts to \$1.7 million (\$1.9 million in 2011, 2.1 million at April 1, 2010). This non-financial asset is recognized on a straight line basis, and the expense of \$177,000 is included under goods and services in note 10.

10. EXPENSES BY OBJECT

Summary of expenses by object:

(in thousands of dollars)

	2012	2011
Salaries and employee benefits	49,943	48,628
Goods and services	59,699	58,681
Goods and services in-kind (note 15)	213	234
Payments in lieu of municipal taxes	11,002	10,378
Amortization	21,557	20,307
Net loss on disposal of tangible capital assets	189	1,599
Impairment loss on tangible capital assets	—	2,260
	142,603	142,087

Antiques, works of art and monuments acquired or built by the NCC and those donated to the Canadiana Fund are not recorded as tangible capital assets. These assets are recorded as expenses and are included under “Goods and services” in the table above. For the period ended March 31, 2012, antiques, works of art and monuments amounted to \$0.8 million (\$1.2 million in 2011).

11. PARLIAMENTARY APPROPRIATIONS

(in thousands of dollars)

	2012	2011
Parliamentary appropriations for operating expenditures		
Amount received during the year	83,686	83,145
Amount receivable at end of year	604	322
	84,290	83,467
Parliamentary appropriations for tangible capital assets	23,196	74,848
Parliamentary appropriations approved and recorded during the year	107,486	158,315

12. CONTRACTUAL OBLIGATIONS

- i. The NCC has entered into agreements for services that amount to \$61.5 million (\$41.5 million in 2011) and office accommodation leases that amount to \$80.5 million (\$90.7 million in 2011). These agreements, which amount to \$142.0 million (\$132.2 million in 2011), have different termination dates, with the latest ending in 2047. As part of these agreements, contracts for the management and maintenance of a portion of the NCC's lands and properties amount to \$56.7 million (\$39.3 million in 2011).

Minimum annual payments under these agreements for the next five years and thereafter are approximately as follows.

(in thousands of dollars)

	LEASES	SERVICES	TOTAL
2012–2013	9,093	16,172	25,265
2013–2014	9,208	13,459	22,667
2014–2015	9,583	10,517	20,100
2015–2016	10,267	7,017	17,284
2016–2017	10,393	4,264	14,657
2017 and thereafter	31,970	10,100	42,070

In addition to the previous agreements, the NCC is committed to contribute to the Ville de Gatineau an additional amount of \$10 million for a joint initiative for the improvement of the shoreline area of Jacques-Cartier Street. This amount will be added to the \$6.1 million contributed in 1996 for this project, and will be payable upon the signing of the construction contract between the city and the assigned contractor. The NCC estimates that this amount will be paid in 2012–2013.

- ii. The NCC has entered into contracts for capital expenditures of approximately \$11.2 million (\$11.1 million in 2011). Payments under these contracts are expected to be made within the next fiscal year.

13. CONTINGENT LIABILITIES

A. Claims

Claims have been made against the NCC, totalling a net amount of approximately \$6.8 million (\$2.5 million in 2011), excluding interest and other costs, for alleged damages and other matters. The final outcome of these claims is not determinable and, accordingly, these items are not recorded in the accounts. In the opinion of management, the position of the NCC is defensible. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which the liability is determinable.

B. Environmental protection

As part of the Environmental Management Framework and the Acquisition and Disposal Program, the NCC has prioritized 1,486 property assets that have, to this day, had a preliminary environmental assessment. More detailed studies were conducted on a number of the properties to determine the degree of remediation required. Based on the detailed studies conducted thus far, the NCC recorded a liability for environmental cleanup of \$42.5 million (\$42.7 million in 2011, \$39.3 million at April 1, 2010). In addition, the NCC assesses at \$465 million (\$467.2 million in 2011, \$404.3 million at April 1, 2010) the contingent liability not recorded in the financial statement. The contingent liability reflects the suspected costs and potential additional costs associated with situations where it is uncertain if the NCC is obligated, or it is unlikely that the NCC will incur full remediation costs.

14. FINANCIAL INSTRUMENTS

A. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The NCC is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, if there is a concentration of transactions carried out with the same party or if there is a concentration of third-party financial obligations that have similar economic characteristics such that they could be similarly affected by changes in economic conditions. Financial instruments that potentially expose the NCC to credit risk consist of cash and cash equivalents, accounts receivable, and investments.

The maximum exposure of the NCC to credit risk at March 31, 2012, is as follows.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Cash and cash equivalents	76,758	44,744	4,654
Accounts receivable			
Federal departments and agencies	2,892	4,520	3,851
Tenants and others	3,813	3,536	3,661
Investments	49,195	101,383	121,042
	132,658	154,183	133,208

The credit risk associated with cash and cash equivalents and short-term investments is minimized substantially by ensuring that cash surpluses are invested in highly liquid investments. The NCC's policy is to invest cash surpluses with well-established financial institutions in the following types of investments: guaranteed investment certificates, bankers' acceptances, guaranteed notes, term deposits, and securities of federal and provincial governments. At March 31, 2012, these financial assets are invested in bankers' acceptances and bearer deposit notes (note 4). Management believes the risk of loss is remote.

The credit risk associated with long-term investments is minimized substantially by ensuring that assets are invested in bonds of federal and provincial governments (note 4).

The credit risk associated with accounts receivable is minimized, since a large base of customers are governmental or municipal entities. Furthermore, credit assessments are done for all new tenants. The NCC records allowances for potential credit losses and any such losses to date have been within management's expectations.

Management believes concentrations of credit risk with respect to accounts receivable are limited due to the credit quality of the parties' extended credit, as well as the large number of governmental, municipal and smaller customers. At March 31, 2012, accounts receivable from governmental or municipal entities comprised 58 percent (67 percent in 2011, 57 percent at April 1, 2010) of the total amounts due.

The following table presents an analysis of the age of accounts receivable not impaired for as at March 31, 2012.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Accounts receivable net of allowance for doubtful accounts:			
Less than 30 days past billing date	2,244	2,287	2,446
30–60 days past billing date	562	1,361	1,252
61–90 days past billing date	93	369	301
Greater than 90 days past billing date	436	1,250	917
	3,335	5,267	4,916
Allowance for doubtful accounts	(244)	(355)	(292)
Other receivables	3,614	3,144	2,888
	6,705	8,056	7,512

The NCC must make estimates in respect of the allowance for doubtful accounts. Type of clients, historical payment trend, economic conditions, reasons for the accounts being past due and line of business from which the receivable arose are all considered in the determination of when to include provisions for past due accounts; the same factors are considered when determining whether to write off amounts charged to the allowance account against the accounts receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

The following table presents a summary of the activity related to the NCC's allowance for doubtful accounts.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Allowance for doubtful accounts			
Balance at beginning of year	355	292	128
Bad debt expense	4	64	171
Amounts written off and recoveries	(115)	(1)	(7)
Balance at end of year	244	355	292

The NCC believes that this allowance for doubtful accounts is sufficient to cover the risk of default.

B. Liquidity risk

Liquidity risk is the risk that the NCC will not be able to meet a demand for cash or fund its obligations associated with its financial liabilities as they come due. Liquidity risk also includes the risk of the NCC's not being able to liquidate assets in a timely manner at a reasonable price. The NCC finances its operating expenditures, and the acquisitions and improvements of tangible capital assets, through a combination of cash flows from operations, parliamentary appropriations and proceeds on disposal of surplus capital assets. The NCC meets its liquidity requirements by preparing and monitoring detailed funding and expenditure plans, and holding financial assets that can be readily converted in cash.

The following table presents an analysis of the estimated maturities of the financial liabilities as at March 31, 2012.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Accounts payable and accrued liabilities			
Less than 90 days	11,559	28,002	17,911
90–365 days	2,782	5,315	1,922
	14,341	33,317	19,833
Unsettled expropriation			
More than 365 days	176	173	170
	14,517	33,490	20,003

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The NCC is exposed only to interest rate risk.

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

Here is an overview of the NCC's interest rate exposure as at March 31, 2012.

(in thousands of dollars)

	2012	2011	APRIL 1, 2010
Cash and Cash Equivalents and Portfolio Investments			
Cash and cash equivalents			
— Market interest rate	76,758	39,259	4,654
Cash and cash equivalents			
— Fixed interest rate	—	5,485	—
Investments less than 365 days			
— Fixed interest rate	21,488	73,805	94,124
Investments more than 365 days			
— Fixed interest rate	27,707	27,578	26,918
	125,953	146,127	125,696

The interest rate exposure of the NCC arises from its interest-bearing assets. Cash and cash equivalents include highly liquid investments with financial institutions that earn interest at market rate and a fixed rate. Investments include short-term portfolio investments with a maturity of less than 365 days and highly liquid with financial institutions that earn interest at a fixed rate. The objective of the NCC is to manage its exposure to the interest rate risk of its cash and cash equivalents and short-term investments by maximizing the interest income earned on excess of funds, while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market interest rate could have an effect on the NCC's interest revenue derived from cash and cash equivalents and short-term investments. If interest rates for the year ended March 31, 2012, had been 50 basis points lower or higher, with all other variables held constant, interest revenue for the same period would have been \$546,391 (\$594,282 in 2011) higher or lower, respectively.

Investments also include bonds of the Government of Canada and the provincial governments at a fixed interest rate with an average term to maturity of 5.6 years (6.4 years in 2011). These investments are indirectly affected by fluctuations of fair value due to fluctuations of the market interest rate. However, fluctuations of the market interest rate would have no impact on interest revenue that the NCC derives from long-term investments.

15. NON-MONETARY TRANSACTIONS

A. Sponsorship in goods and services

During the year, the NCC entered into sponsorship agreements through which it received various goods or services. In exchange, the sponsors received various benefits, including exclusive marketing rights and visibility. These non-monetary transactions with unrelated parties were recorded equally in revenues and cost of operations. They were measured to \$0.2 million (\$0.2 million in 2011), which represents the fair value of the goods and services received.

B. Non-monetary exchanges and non-monetary non-reciprocal transfers

During the year and, in addition to the non-monetary transactions with related parties included in note 16, the NCC entered into the following non-monetary non-reciprocal transfers.

- i. The NCC transferred to the City of Ottawa, at a nominal value of \$1, parcels of lands that will be used for the southeast Transitway. This transaction, as it lacked commercial substance, was measured at the nominal value and resulted in a net loss on disposal of tangible capital assets of \$0.1 million. This loss is included in note 10 under “Net loss on disposal of tangible capital assets.”
- ii. The Canadiana Fund received donations of antiques and works of art, which were measured and recorded at the fair value, since these transactions had commercial substance. The value of these donations of \$10,000 (\$42,599 in 2010) was recorded as an expense in note 10, under the heading “Goods and services,” with an equal amount in the statement of operations and accumulated surplus under “Other revenues.”

16. RELATED PARTY TRANSACTIONS

The NCC is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations, and is financed primarily by the Parliament of Canada. In addition to the related party transactions described below, and those disclosed elsewhere in these financial statements, the NCC also enters into transactions with Crown entities. In the normal course of business and on normal trade terms applicable to all individuals and enterprises, the NCC incurred expenses totalling \$9.4 million (\$11.6 million in 2011) for utilities, rental of space, tangible capital assets and services purchased from other government departments and agencies, and earned revenues totalling \$7.9 million (\$11.5 million in 2011) from services rendered, rental operations and sales of tangible capital assets.

During the year, the Government of Canada transferred to the NCC, at a nominal value, the Garden of the Provinces and Territories. As this transaction lacks commercial substance, this non-monetary non-reciprocal transfer was measured at \$1 million, representing the carrying amount of the property transferred, and was recorded in the statement of operations and accumulated surplus under “Other revenues.”

Finally, during the year, the NCC received audit services, which were obtained without charge from the Office of the Auditor General of Canada. These services were not recorded in the NCC’s statements of operations and accumulated surplus.

APPENDIX I

COMMITTEES OF THE BOARD, ADVISORY COMMITTEES AND SPECIAL COMMITTEES

Executive Committee

Chairperson

Russell Mills

Members

Marie Lemay
Eric D. MacKenzie
Frieda Martselos
Jason M. Sordi

Audit Committee

Chairperson

Jason M. Sordi

Members

Adel A. Ayad
Korin Bobrow
Hélène Grand-Maitre
Richard P. Jennings
André Rioux

Ex-Officio Members

Russell Mills
Marie Lemay

Governance Committee

Chairperson

Brent Stefanson

Members

Jacquelin Holzman
Frieda Martselos
Jason M. Sordi
Robert Tennant

Ex-Officio Members

Russell Mills
Marie Lemay

Advisory Committee on Communications, Marketing and Programming

Chairperson

Duncan McKie,
Toronto, Ont.

Vice-Chairperson

Pauline Rafferty,
Victoria, B.C.

Members

Graham Carr,
Montréal, Que.
Margaret Conrad,
Fredericton, N.B.
Sylvain Gagné,
Québec, Que.
Katherine Holmes,
Toronto, Ont.
Greg Klassen,
Vancouver, B.C.
Donna Nixon,
Ottawa, Ont.
Kevin Shea,
Toronto, Ont.
Burke Taylor,
Vancouver, B.C.

Ex-Officio Members

Russell Mills
Marie Lemay

Board Members

Hélène Grand-Maitre
Eric D. MacKenzie

Advisory Committee on Planning, Design and Realty

Chairperson

Larry Beasley,
Vancouver, B.C.

Vice-Chairperson

Eha Naylor,
Toronto, Ont.

Members

Paul J. Bedford,
Toronto, Ont.
Sarah Bonnemaïson,
Halifax, N.S.
Anne Cormier,
Montréal, Que.
Gordon Harris,
Vancouver, B.C.
Marc Letellier,
Québec, Que.
Vivian Manasc,
Edmonton, Alta.
Donald Schmitt,
Toronto, Ont.
David Witty,
Winnipeg, Man.

Ex-Officio Members

Russell Mills
Marie Lemay

Board Members

Adel A. Ayad
Peter Burgener

Advisory Committee on the Official Residences of Canada

Chairperson

Edna A. Hall,
St. John's, N.L.

Vice-Chairperson

Christina Cameron,
Ottawa, Ont.

Members

Richard Alway,
Toronto, Ont.
Daniel Brisset,
Montréal, Que.
Richard Lindo,
Ottawa, Ont.
Germain J. Matthieu,
Gatineau, Que.
Gerry McGeough,
Vancouver, B.C.

Ex-Officio Members

Russell Mills
Marie Lemay

Board Member

Richard N. Aubry

Canadiana Fund

Chairperson

Douglas B. Richardson,
Saskatoon, Sask.

Vice-Chairpersons

Cynthia Price,
Montréal, Que.
Grant Jameson,
Ottawa, Ont.

Members

Harriet Campbell-Meacher,
Charlottetown, P.E.I.
Paul C. LaBarge,
Ottawa, Ont.
(until December 2011)

Shane O'Dea,
St. John's, N.L.
Gerald Pittman,
Calgary, Alta.

Joan Richardson,
Winnipeg, Man.

Fei Wong,
Vancouver, B.C.

APPENDIX II

PARTNERS AND SPONSORS

The success of the NCC's programming and activities depends on the support and contributions of many partners. The NCC has benefited from a strong network of collaborators, and would like to take this opportunity to acknowledge and thank the following organizations, which contributed to NCC programming and activities in 2011–2012.

NCC Partners	<i>Canadian Geographic</i> — Teacher Resources	Currency Museum of the Bank of Canada	House of Commons
51 Air Cadet Squadron	Canadian Heritage	Diefenbunker, Canada's Cold War Museum	James Naismith Museum
Agriculture and Agri-Food Canada	Canadian Museum of Civilization	Downtown Rideau Business Improvement Area	Kiwanis Club of Ottawa
AKRAN Marketing	Canadian Museum of Contemporary Photography	École secondaire De-la-Salle	Laurier House
Art Engine	Canadian Museum of Nature	Embassy of Mexico in Canada	<i>LeDroit</i>
Astral	Canadian Paralympic Committee	Embassy of Spain in Canada	Library and Archives Canada
Beaver Cup	Canadian Red Cross	Embassy of the Kingdom of the Netherlands	Library of Parliament
Boy Scouts of Canada	Canadian Space Agency	Encounters with Canada, Historica-Dominion Institute	Lord Stanley Memorial Monument Inc.
Bytown Museum	Canadian Tulip Festival	Explorica	Merivale High School
ByWard Market Business Improvement Area	Canadian War Museum	Festival de montgolfières de Gatineau	Nanometrics Inc.
Cameron Highlanders of Ottawa	Carleton University	Foreign Affairs and International Trade Canada	National Arts Centre
Canada Agriculture Museum	Charter Project	Gatineau Loppet	National Ballet of Canada
Canada Aviation and Space Museum	Child and Youth Friendly Ottawa	Gatineau Police Service	National Defence and the Canadian Forces
Canada Council for the Arts	CHIN International Radio TV	Girl Guides of Canada	National Film Board of Canada
Canada Science and Technology Museum	Chorale Gospel Outaouais	Government of Yukon	National Gallery of Canada
Canada Volleyball	CHUM	Guid'Amies franco-canadiennes	National Research Council Canada
Canadian Broadcasting Corporation	Citizenship and Immigration Canada	Heart of Orléans Business Improvement Area	Natural Resources Canada
Canadian Building Trades	City of Ottawa		OC Transpo
Canadian Capital Cities Organization	Classroom Connections		Office of the Secretary to the Governor General
Canadian Coast Guard	Coopérative des paramédics de l'Outaouais		Ottawa Art Gallery
Canadian Fallen Firefighters Foundation	Creations In-Vivo		Ottawa Chamber Music Society
<i>Canadian Geographic</i>			

<i>Ottawa Citizen</i>	Royal Norwegian Embassy	NCC Sponsors	McDonald's Restaurants of Canada
Ottawa Fire Services	School of Photographic Arts Ottawa	Alcatel-Lucent Canada Inc.	NewAd Media Inc. (Jergens)
Ottawa International Airport	Scouts Canada	Amex Bank of Canada	Ontario Lottery and Gaming Corporation (OLG)
Ottawa International Jazz Festival	Senate of Canada	Beaver Tails Pastry	PepsiCo Beverages Canada
Ottawa Little Theatre	Services de prévention des incendies de Gatineau	Brand Momentum Inc. (Frank's Red Hot Sauce)	Pizza Pizza Limited
Ottawa Paramedic Service	Société de transport de l'Outaouais	Brand Momentum Inc. (Ontario Wine Council)	Rideau Centre
Ottawa Police Service	Sparks Street Mall Business Improvement Area	Canada Place Corporation	Rogers Wireless Communications Inc.
Ottawa Tourism and Convention Authority	St. John Ambulance	Chicken Farmers of Canada	Slush Puppie Canada
Ottawa-Hull Ice Carvers Society	St. John Ambulance Canada Federal District Council	Citizen Optimum Inc. (Four O'Clock Tea)	State Farm Mutual Automobile Insurance Company
Para Transpo	Supreme Court of Canada	Consumer Impact Marketing — Dairy Farmers of Canada	Surge Communications Inc. (Burt's Bees)
Parks Canada	TakingITGlobal	Cundari — Subway Restaurants	The Westin Ottawa
Portrait Gallery of Canada	Tommy and Lefebvre	Enbridge Gas Distribution Inc.	TrojanOne — ParticipACTION
Premiers soins Medtrakevac	Tourisme Outaouais	Fairmont Château Laurier	VIA Rail Canada Inc.
Public Works and Government Services Canada	Tribute to Liberty	Giant Tiger Stores Limited	WestJet, an Alberta partnership
Quebec Ski Areas Association	University of Ottawa	Good Humor (Breyers)	Wine Council of Ontario
Rotary Club of Ottawa	Veterans Affairs Canada	Loblaw Companies Ltd (President's Choice)	
Royal Canadian Legion	VIA Rail Canada Inc.	Lord Elgin Hotel	
Royal Canadian Mint	Ville de Gatineau	Manufacturers Life Insurance Company	
Royal Canadian Mounted Police	Writers in Electronic Residence		
Royal Canadian Navy	YouCan Canada		
	Zone3sports		

The NCC wishes to extend a special thank-you to other corporate sponsors, hotels and restaurants not mentioned above that have supported NCC events and activities throughout the year.