



NATIONAL CAPITAL COMMISSION
COMMISSION DE LA CAPITALE NATIONALE

Annual Report

2016–2017



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2016–2017 Performance Highlights

20,395

More than 20,000 citizens participated in engagement and outreach activities.

122,252

A total of 122,252 visitors passed through the Gatineau Park Visitor Centre at 33 Scott Road—14,633 more than last year.

51,549

The Mackenzie King Estate received 51,549 visitors—6,771 more than last year.

376,388

The National Capital Commission (NCC) recorded 376,338 social media interactions across all platforms, a 105% increase compared with the past fiscal year.

\$18.0M

The NCC's rental portfolio generated \$18.0 million in revenues.

◀ An inside view of the recently refurbished Dairy Building at Rideau Hall. Constructed in 1895 and originally used to store and cool milk, the Dairy Building changed vocation and currently serves as a skating shelter, meeting place and exhibition space.

MESSAGE FROM THE CHAIR

As a lifelong resident of the Capital Region, I am honoured and excited to become part of the National Capital Commission. In this milestone year for our nation, it is hard to imagine a more inspiring moment to help contribute to Capital building.

With so many Canadians and people from around the world visiting the Capital Region this year, I am impressed by the vision and hard work of the National Capital Commission (NCC) and its partners, in creating special occasions and spaces for celebrating Canada's 150th anniversary. Years of careful planning have paid off: we are bringing our history to life, displaying the beauty of our capital and demonstrating the strength of our diversity. Our ambition to be a world-class, leading-edge capital is here for all the world to see.

Looking to the future, I am honoured to be the new chair of the NCC. Our region is moving forward with some of its most extensive projects to date, many of which will have a long-lasting impact on our community. The LeBreton Flats redevelopment is perhaps the most transformative project, with plans for a new landmark attraction right in our downtown core and on the waterfront. Having grown up in this region, I am excited by the type of innovative vision that this project represents for the future of our capital.

The year 2017 also sets forth our new regional planning framework for the next 50 years: the Plan for Canada's Capital. Only a handful of these types of long-term plans have been developed since the turn of the 20th century, and each has had a profound generational impact on the Capital Region. In addition to the bold projects envisioned in this long-term plan, I am appreciative of its citizen-centred development.

Of course, this is a legacy that has been guided by my predecessor, Russell Mills, who made great strides over the past 10 years to foster a more open and accessible Crown corporation. As the NCC's chair, Russell surely left "big shoes" to fill, and I hope to bring my own passion and experience to the forefront, just as he did.

Over the years, I've witnessed how civic engagement can be a pillar for building a dynamic, resilient and inclusive community. Great things can be achieved collectively, when individuals leverage their talents and ideas to contribute to the betterment of their neighbourhoods and community. I've been fortunate to have been involved in the governance of several local organizations that are driven by these principles. Helping to lead the NCC represents another tremendous opportunity to do my part in strengthening our community.



As chair, I will actively support the NCC's journey in finding new and innovative ways to involve Canadians with their capital. Engagement will continue to be at the core of how the NCC operates, whether it's gathering feedback on a proposed project, creating opportunities to participate in a dialogue on key issues, or seeking out skills and expertise to help manage our assets across the region. New technologies will continue to change how we experience the world, especially how we interact and work with each other.

In my experience, I've learned of the immense value of collaboration, both with the public and through strong working relationships with a wide range of partners and stakeholders. As such, I look forward to working with Canadian Heritage, my colleagues on the Board of Directors, and all NCC staff to continue building an inspiring capital for all Canadians. I appreciate the scale and complexity of this mandate, and it is through these partnerships that it will be achieved.

As this is the first year in my term as chair, I eagerly anticipate reporting back in next year's annual report. I welcome all Canadians to engage with the NCC year-round, whether it's to give us your feedback, ideas or a helping hand. In doing so, I ask that we all challenge

ourselves to think about the possibilities of the future and how we, both as individuals and as a community, can help shape it for the benefit of the next generation of Canadians. As the Capital Region continues to experience significant change and growth, together we can help ensure that it not only remains a wonderful place to live and visit, but that it also unites all Canadians as an enduring symbol of our storied past and our promising future ahead.

Marc Seaman *Chair*

MESSAGE FROM THE CEO

It has been a year of genuine enthusiasm and excitement in the Capital Region, not only as the National Capital Commission (NCC) launches a series of initiatives to celebrate Canada's sesquicentennial year, but also as the region progresses with some of its most ambitious plans and projects in our history.

Canada's 150th anniversary has arrived, offering all Canadians an opportune moment to reflect on our nation as it stands today. But, when we think about Canada in 2017, we must also consider how we are shaped by our history, and how we can make the most of the inspiring possibilities of the future. This understanding and appreciation for our shared past, history and future drives much of our work at the NCC.

The Capital Region has always attracted Canadians and visitors from abroad. But it has never been more of a central, unifying symbol of our nation than it has this year. In this spirit, we continued to push for greater openness and transparency, with a focus on reaching out and connecting with Canadians on some very important initiatives that will shape their capital.

Building on the momentum from previous years, we expanded our consultation and engagement activities to hear from more Canadians. As a Crown corporation, we are fully embracing a citizen-focused approach to guide much of what we do, including planning, developing recommendations and making decisions. This year, we witnessed a high level of engagement from Canadians in the LeBreton Flats redevelopment—one of the region's most promising projects. Once revitalized, this site will dramatically change a key waterfront property into a long-lasting attraction and community in the heart of the Capital.

Several other projects currently under way could also greatly transform the Capital in the years to come, offering new experiences for residents and visitors alike. The proposed Zibi development on the Ottawa River, numerous initiatives to enhance access to our shorelines

and waterways, new national commemorations, and other projects also generated significant public interest this past year. We will continue to create meaningful opportunities for input and collaboration on these projects as they progress, recognizing that all Canadians should have a say in building a better Capital Region.

As such, this year marked the development and launch of the Plan for Canada's Capital. Truly a "people's plan," this was informed by thousands of Canadians interested in envisioning what the Capital should look like. High levels of participation were essential for this initiative, as it outlines a modern, consensus-based vision and 17 milestone projects that will define much of the region's future development, leading Canada to its next major milestone: bicentennial in 2067. I am both honoured and encouraged by this level of public engagement with the NCC, and hope that it continues in the future.

We also sought to continue building strong relations with Canada's Indigenous peoples—an urgent priority for Canada as a nation. With significant real estate developments being undertaken or proposed in the Capital Region, we have been working closely with Algonquin First Nations chiefs and communities. It is imperative that we move beyond the duty to consult, and develop a real working relationship in the spirit of reconciliation, in which we can learn from each other and truly collaborate for our shared benefit.

This year, during one of a series of meetings with chiefs representing Algonquin communities from the entire Ottawa River watershed, one participant asked: "Why do we meet here in a square formation?" Henceforth, our meeting table forms a circle.



Moreover, her comment helped define the NCC's new brand identity: the original "crown of maple leaves" logo, created for the NCC by the brilliant Québécois designer Julien Hébert in 1967—with each leaf denoting one of the 13 provinces and territories—is now encircled by a fine band representing the Algonquin traditional territory on which Canada's Capital is hosted. This motif is taking its place in the Capital as NCC signage is replaced as part of its life cycle management.

From our regular meetings on the management of Victoria Island, to the renewal of the protocol for archaeological resources, to our new and inclusive corporate identity, we have ventured on the path toward reconciliation, and look forward to expanding and deepening this conversation.

Beyond successful consultations, this year, we observed more fundamental civic engagement in the Capital Region, which has become more prominent in recent years. This is about harnessing the energy of passionate, talented Canadians: as we have been opening more doors to contribute to Capital building, residents are seizing these opportunities to use their own knowledge and skills to contribute to serve the Capital. More people are actively participating in Capital stewardship: whether it's biologists helping to restore the Pinhey sand dunes, families operating heritage farms in the Greenbelt, or a groomer maintaining the Sir John A. Macdonald Winter Trail. This annual report helps share their stories.

With so much to showcase, we expect to see an unprecedented number of visitors to experience the Capital Region this year. We are now focused on working with key partners to deliver on our signature initiatives, such as the Confederation Pavilions.

Launched in January, the pavilions consist of 10 of the Capital Region's distinctive, yet underused, historic properties transformed into new spaces and experiences for Canadians to discover. With 10 of Canada's diplomatic partners presenting compelling, immersive exhibits, we could not imagine a better way to showcase Canada's contributions to the international community.

As chief executive officer, I am heartened by the extent to which the NCC has evolved, while remaining steadfast in delivering our core mandate. I want to recognize our past board chair, Russell Mills, to whom we owe much of this legacy. He has been a champion of openness and transparency, and the NCC has had the pleasure of his leadership for a decade. I thank our board members for providing the support necessary to advance the NCC's work throughout the year.

I also thank the NCC's staff. They are dedicated public servants who work fastidiously to rise to any challenge, especially this year. But most of all, I must express my gratitude to my fellow Canadians from across the country—whether they call the Capital Region home, have visited or have taken the time to provide their energy and ideas to us. With our nation's sesquicentennial, it is an inspiring time not only to visit and embrace our capital, but also to be an engaged Canadian.

Dr. Mark Kristmanson *Chief Executive Officer*



CELEBRATING CANADA'S 150th ANNIVERSARY IN THE CAPITAL

This year marks Canada's sesquicentennial, which offers a distinct opportunity to showcase all that the Capital Region has to offer.

Naturally, there are the perennial favourites for residents and visitors to enjoy in the Capital, such as Parliament Hill, Gatineau Park, the Rideau Canal and various national museums. To truly commemorate a century and a half of Confederation, the National Capital Commission (NCC) is also undertaking a series of initiatives with its partners. The focus of these initiatives is remembering what has come before us and building the foundation for a future that all Canadians can be proud of.

More than in any other year, in 2017, the Capital Region is offering Canadians unique and memorable experiences to help them reflect on what it means to be part of our great country, and to truly honour this momentous occasion of our nation's 150th anniversary. These new places, events and features in the Capital make for an exciting year.



The Confederation Pavilions: Creating Enduring Legacies for the Capital

As Canadians celebrate 2017 from coast to coast to coast, the NCC is opening the doors to some of the Capital's most distinctive—yet underutilized—heritage buildings. Over the past few years, the NCC and its partners have worked to revitalize these historic properties to host an inspiring initiative: the Confederation Pavilions.

Housed in some of the Capital Region's lesser-known architectural gems, the Confederation Pavilions are renewed spaces that will provide opportunities for Canadians to learn about and experience Canada's roots and historical achievements, particularly those related to diversity and inclusion, reconciliation with Indigenous peoples, and the environment—all worth recognizing in this noteworthy year.

As of March 31, 2017, three of the pavilions had opened to the public, with seven more to open throughout 2017. The NCC has created a Confederation Pavilions passport as a guide for all visitors, where they can learn about the various pavilions, and track their visits throughout the year. Following the sesquicentennial, these buildings will stand as lasting legacies for future generations to experience.

The Winter Pavilion

The historic public skating rink at Rideau Hall has always epitomized a true Canadian tradition: embracing winter. As part of Canada's 150th anniversary, in January 2017, the new Winter Pavilion was opened. Housed at the restored Dairy Building, the Winter Pavilion offers visitors a warm place to lace up their skates, and features an exhibition on Rideau Hall's winter festivities and sports—a favourite pastime of many governors general throughout history.

Constructed in 1895, the Dairy Building was originally a service building for a variety of dairying activities, including collecting and storing the milk from Rideau Hall's cows, and producing butter and cheese. Having deteriorated significantly over time, the Dairy Building was restored and relocated by the NCC. By the end of the winter season, the Winter Pavilion had welcomed 4,599 visits.

“Canada 150 is the perfect opportunity to celebrate the wealth of our cultural heritage. I invite everyone to visit the National Capital Commission’s Confederation Pavilions, which highlight the vibrant and rich history of Canada’s Capital Region.”

The Honourable Mélanie Joly
Minister of Canadian Heritage

The International Pavilion

Celebrating our nation’s history also means acknowledging our engagement with the broader global community, including Canada’s relationships with other countries, our shared values, and the accomplishments we have achieved together. The International Pavilion was opened at 50 Sussex Drive in February 2017 as a space for exploring beyond our borders. This was home to a series of exhibitions by Canada’s diplomatic partners, highlighting their strong bilateral relations with Canada, as well as their own culture and historical journey.

The first international exhibition, “The U.S.–Canada Relationship: 150 Years of Friendship and Cooperation,” was hosted by the Embassy of the United States of America, followed by the Embassy of Mongolia’s exhibit, entitled “Mongolia: Land of Eternal Blue Sky.” An exhibit by the Embassy of Israel, “Small Country, Big Footprint,” will open in May 2017, followed by one presented in June by the Embassy of Poland.

Throughout history, Indigenous peoples and European explorers would have passed by where 50 Sussex now stands, which is the place where the Rideau River flows into the Ottawa River. Over time, this area transformed, in parallel with the region’s industrial

development, until the 1950s, when the NCC created a riverside park at Rideau Falls. As a model of contemporary architecture, this building will host an exhibit on the Plan for Canada’s Capital over the summer and fall of 2017, before becoming the new headquarters of The Royal Canadian Geographical Society in 2018.

At the end of June 2017, with the completion of construction at 7 Clarence Street, the International Pavilion will move to this new contemporary building, which is part of the larger Tin House Court restoration project in the ByWard Market. The remaining exhibits planned for this new location include Germany, Ireland, Belgium, Hungary, the European Union and the Philippines.

Visitors to the International Pavilion

Over 3,500 people visited the exhibits of the United States of America, Mongolia and Israel at the International Pavilion at 50 Sussex Drive between February and May 2017.

The Pioneer Pavilion

Some 6,000 people visited the Pioneer Pavilion between early March and early April 2017.



The Pioneer Pavilion

Canadians owe much to our rich and enduring agricultural legacy, given its significance to our national history and continued contribution to our lives every day. To honour this tradition, in March 2017, the Pioneer Pavilion was launched at the Log Farm in the Greenbelt, in partnership with the Orr family. The pavilion offered a unique opportunity for Canadians to step back in time and experience elements of pioneer life. Special programming, which included a wagon ride into the sugar bush, helped illustrate how the Capital Region's early settlers lived.

Built in the mid-1850s, this property was a farm and homestead for the Bradley family, until they sold it in the early 20th century. The NCC acquired it in 1966 as part of the new Greenbelt, and now the Log Farm has returned to its historical beginning as a functional farm, having been revitalized and now run by the Orr family.

Contributing to the Capital: The Orr Family

Impassioned by years of volunteering at the Log Farm, three generations of the Orr family have come together to bring the family farm back to life. Larry Orr, along with son Ryan and daughter-in-law Amy, responded to the NCC's call for farmers to rent the Greenbelt property, and eventually agreed to a long-term operating lease. Now the farm is fully operational, with livestock and a sugar bush to help give visitors a glimpse of early pioneer life.

"Our family is proud to bring new life to this jewel of the Capital Region's agricultural heritage. In this special year of celebration, we look forward to welcoming visitors to experience the sights and sounds of spring, and taste the sweetness of the maple syrup in this unique historical setting."

—Ryan Orr

“I am pleased to see this symbol of friendship blooming in the colours of the maple leaf flag in gardens across the country, as we celebrate Canada’s 150th anniversary.”

Henk van der Zwan

Ambassador of the Kingdom of the Netherlands



Beautifying and Connecting the Capital

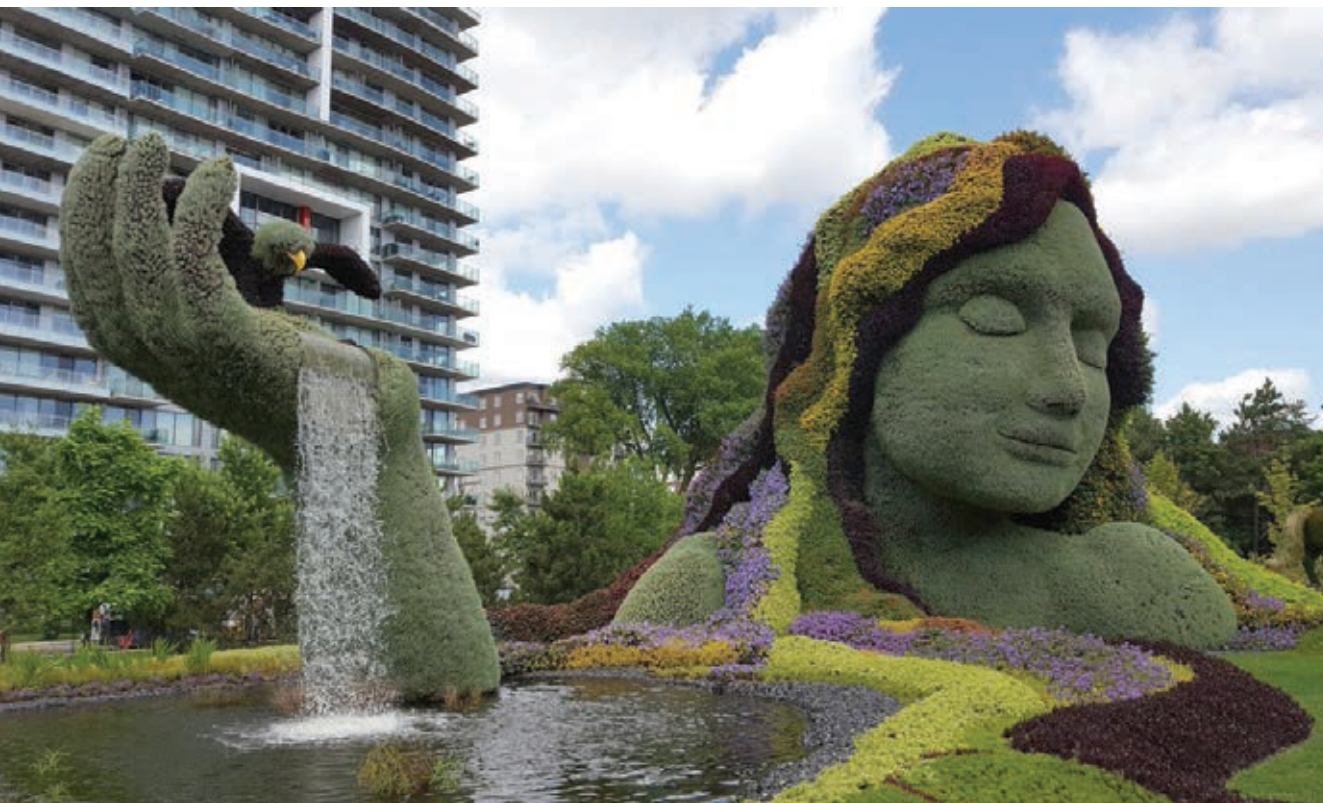
Canada 150 Tulip

As home to the Canadian Tulip Festival, the Capital Region is always an impressive sight in springtime. As part of the 2017 celebrations, the NCC unveiled the Canada 150 tulip in May 2016. This unique tulip species, distinguished by its beautiful white bloom with red accents symbolizing the Canadian flag, will bloom in bright colours this spring across Canada. Developed in the Netherlands, this tulip is an expression of the country’s gratitude to Canada, and remains a symbol of our nations’ strong historical relationship, dating back to the Second World War.

In the fall of 2016, the NCC planted 300,000 tulips in the Capital Region’s flower beds, with the help of students from St. Anne Catholic Elementary School. Another 4.5 million bulbs were purchased through Home Hardware—the exclusive retailer—for planting in gardens and communities across the country. Additionally, the Canadian Capital Cities Organization will help display these tulips in the provincial and territorial capitals.

Mackenzie Avenue Cycling Lanes

Encircling the downtown areas of Ottawa and Gatineau, Confederation Boulevard is the Capital’s ceremonial and discovery route. To improve mobility on Confederation Boulevard, the NCC is working collaboratively with the City of Ottawa and the U.S. Embassy to construct dedicated bi-directional cycling lanes. Following a ground-breaking ceremony in June 2016, the cycling lanes are planned for completion in the spring of 2017.



Supporting Partners

As many of the celebrations for Canada's 150th anniversary require extensive collaboration, the NCC has also supported many of its partners in delivering their unique initiatives. This year brings some truly exciting, world-class events to the Capital Region, as well as a bold reimagining of some key spaces.

MOSAÏCANADA 150

"Mosaïculture"—a unique art form that blends sculpting, painting and horticulture—will be on full display in the Capital Region this year. From July until October 2017, Jacques-Cartier Park in Gatineau will host MOSAÏCANADA 150, a world-renowned horticultural event of unprecedented scale on the Capital Region's shoreline. Developed by Mosaïcultures Internationales de Montréal, this exhibition will be one of the largest events for Canada's 150th anniversary. Featuring up to 40 massive plant-based art sculptures throughout the park, the exhibition will highlight Canada's history, values and culture. In supporting this initiative, the NCC is working with other key partners at all levels of government, including the Ville de Gatineau, the Government of Quebec and Canadian Heritage.



150 Shinny Games on the Rideau Canal Skateway

For Canada's 150th anniversary, the NCC helped host a massive celebration of the country's national winter pastime on one of the Capital Region's most significant natural assets. In February, the entire length of the Rideau Canal Skateway was closed for one day for games of shinny hockey, which are typically not permitted on the canal. More than 2,000 minor hockey players gathered to play 150 five-on-five, 60-minute games. Offering some young Canadians the chance of a lifetime, this event was delivered by the Ottawa Senators Hockey Club and Canadian Heritage, in collaboration with Hockey Eastern Ontario and Hockey Outaouais.

Federal Approvals for Redevelopment

In its role of providing approvals for projects on federal lands or in federal buildings in Canada's Capital Region, the NCC has shifted priorities and worked diligently to expedite the evaluation of projects that will contribute to the 150th celebrations in the region.

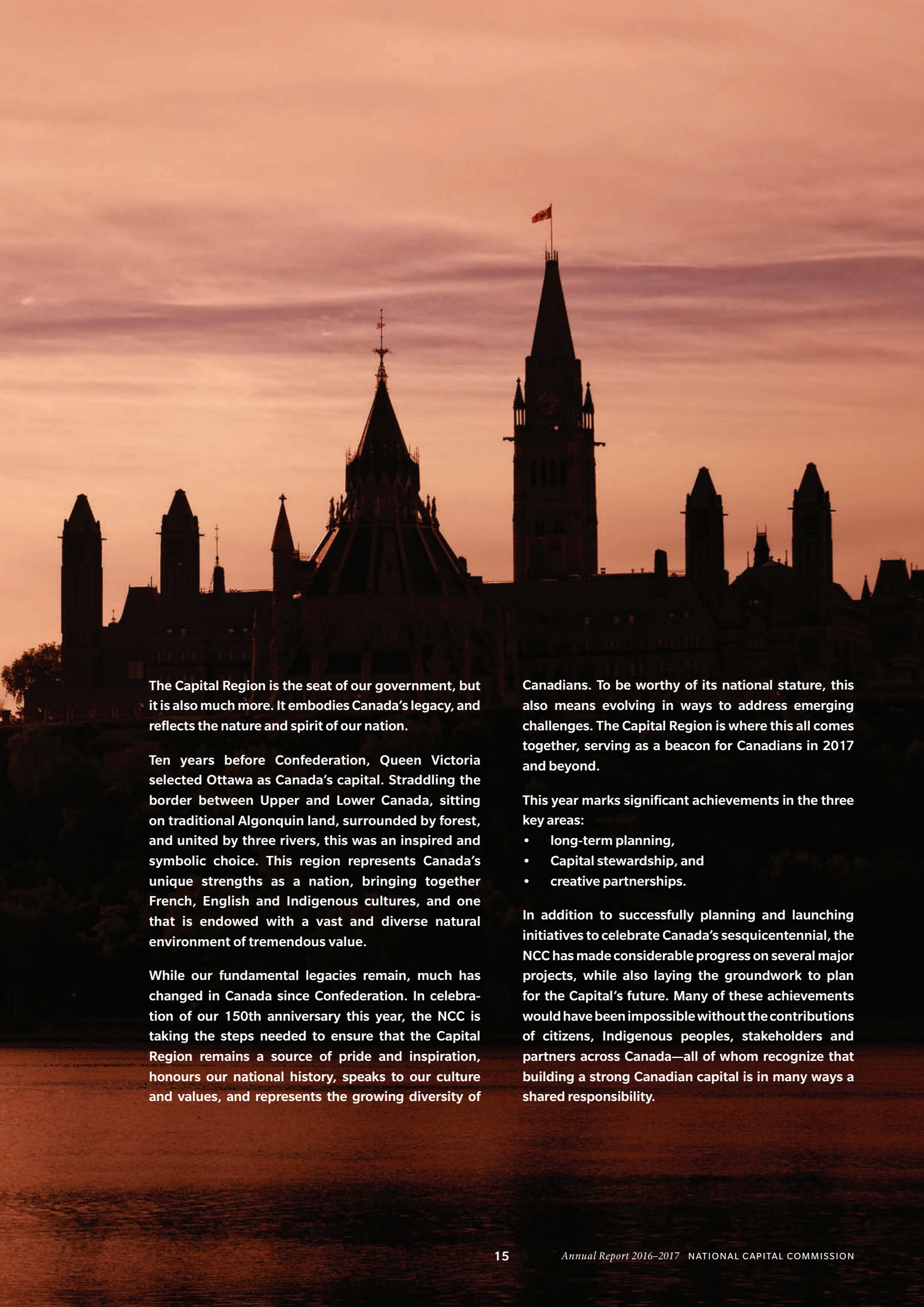
For example, the NCC approved the plans for the architectural rejuvenation of the National Arts Centre (NAC), to be unveiled for Canada Day 2017. As the premier stage for the performing arts in the Capital Region, the rejuvenation project will transform the facade of the NAC to incorporate a new glass atrium entrance on Elgin Street, and will include improved performance spaces, public areas and overall accessibility.

Similarly, this past year, the NCC approved the master plan for reopening the Canada Science and Technology Museum. Set to open this coming November, the redesigned museum, equipped with new technology, will include new exhibition space, a new Canada Science and Technology Museum Park, and a space for Canadian artifact preservation. In line with the innovation agenda inspired by Canada's 150th anniversary, the museum will resume its role of helping to highlight Canada's historical achievements in science and technology.

Other priority approvals for the 150th celebrations included elevated platforms for passengers at the Ottawa Train Station, an expansion of the upper floors at the Westin Hotel to host celebrations and events, and MOSAÏCANADA 150.

THE YEAR IN REVIEW





The Capital Region is the seat of our government, but it is also much more. It embodies Canada's legacy, and reflects the nature and spirit of our nation.

Ten years before Confederation, Queen Victoria selected Ottawa as Canada's capital. Straddling the border between Upper and Lower Canada, sitting on traditional Algonquin land, surrounded by forest, and united by three rivers, this was an inspired and symbolic choice. This region represents Canada's unique strengths as a nation, bringing together French, English and Indigenous cultures, and one that is endowed with a vast and diverse natural environment of tremendous value.

While our fundamental legacies remain, much has changed in Canada since Confederation. In celebration of our 150th anniversary this year, the NCC is taking the steps needed to ensure that the Capital Region remains a source of pride and inspiration, honours our national history, speaks to our culture and values, and represents the growing diversity of

Canadians. To be worthy of its national stature, this also means evolving in ways to address emerging challenges. The Capital Region is where this all comes together, serving as a beacon for Canadians in 2017 and beyond.

This year marks significant achievements in the three key areas:

- long-term planning,
- Capital stewardship, and
- creative partnerships.

In addition to successfully planning and launching initiatives to celebrate Canada's sesquicentennial, the NCC has made considerable progress on several major projects, while also laying the groundwork to plan for the Capital's future. Many of these achievements would have been impossible without the contributions of citizens, Indigenous peoples, stakeholders and partners across Canada—all of whom recognize that building a strong Canadian capital is in many ways a shared responsibility.



LONG-TERM PLANNING

As the long-term planner of the Capital Region, the NCC enhances the natural and cultural character of the Capital to ensure that it is inspiring to all Canadians and symbolizes our rich past, vibrant present and vital future.

In this role, the NCC plans for and coordinates the use of federal lands in the Capital Region, upholding the highest standards befitting the seat of Canada's government.

This past year has highlighted the tremendous opportunities, as well as prevailing challenges, facing the Capital Region, Canada and the world. Amidst these changes, planning for the long-term health and stability of the Capital Region is critical. Canada's 150th anniversary is not only a significant milestone to mark our nation's achievements, but it is also a useful reminder of the need to continue evolving, and especially to ensure Canada's enduring growth and diversity.

Plan for Canada's Capital

In 2016–2017, the NCC achieved a once-in-a-generation endeavour: completing a new long-term plan for the Capital Region.

The Plan for Canada's Capital, 2017–2067, is the pre-eminent planning document that sets the framework to guide the deployment of federal lands, buildings, infrastructure, and spaces over a 50-year horizon, from now through to Canada's bicentennial. The Plan for Canada's Capital builds on the legacy of past planners in developing and evolving a distinct Capital worthy of its national significance. It seeks to further the vision outlined in earlier plans, including the 1950 Gréber Plan, which envisioned many of the Capital Region's defining characteristics, including the Greenbelt, the expansion of Gatineau Park, and revitalizing the industrial shorelines for public use. However, the Plan for Canada's Capital is distinct in its collaborative development: it is a "people's plan," shaped by the contributions of thousands of Canadians.

This is a new plan for a truly contemporary capital, addressing the priorities and aspirations of our region in the 21st century. This plan represents a vision that is practical, buildable, and flexible in the context of emerging trends and challenges, such as adapting to a growing and aging population, improving mobility and accessibility, ensuring environmental sustainability, and providing federal accommodations. The Plan for Canada's Capital outlines a long-term vision, three goals and 17 milestone projects, to guide the development of the Capital.

Recognizing that the successful development of the Capital Region is a collective and shared responsibility, the Plan for Canada's Capital also emphasizes the importance of alignment and partnerships with federal, provincial and municipal governments, Indigenous peoples, as well as with private sector and community-based organizations. The Royal Canadian Geographical Society is a dedicated partner in promoting the Plan for Canada's Capital.

Vision for Canada's Capital in 2067

Canada's Capital Region is a symbol of our country's history and diversity,
a true reflection of our democratic values and our commitment to
a flourishing and sustainable future.

GOALS

Inclusive and
Meaningful

Picturesque
and Natural

Thriving and
Connected



Engaging Canadians in Planning

Canadians were given the opportunity to share their ideas for the Plan for Canada's Capital. Last year, the NCC conducted an online public engagement campaign to help identify 17 major milestone projects to include in the plan. Through this initiative, the NCC received 1,800 responses from Canadians across the country, who submitted 1,200 individual ideas across the three themes. This feedback helped to refine the draft of the plan, which the NCC posted for online consultation in the summer of 2017, reaching 325 participants.

As the Plan for Canada's Capital continued to evolve throughout the fall of 2016, a final version was presented to the Board in January 2017 for comment. The Board formally approved the Plan for Canada's Capital in April 2017, and a public launch is planned for May.

"It's been a wonderful journey for the National Capital Commission, working with residents of the region and people from across Canada to develop a long-term vision for the Capital."

Dr. Mark Kristmanson

Chief Executive Officer, National Capital Commission



LeBreton Flats Redevelopment

The LeBreton Flats site predates Confederation, first as an encampment site for local Indigenous peoples and travellers along the Ottawa River. The land's industrial history began in the early 1800s, serving as a site for milling and other industries, as they developed throughout the 19th century. Following the Hull-Ottawa fire of 1900, the land entered into an extensive period of planning for its redevelopment. Today, the NCC has the opportunity to help shepherd a new path forward for this historic site.

Negotiations are under way for the proposed revitalization of this 21-hectare site, which sits west of the Parliament Buildings. To make this site a world-class signature destination in the Capital Region, a comprehensive solicitation process was held, with extensive public engagement. The RendezVous LeBreton Group was selected as the highest-ranked proponent in April 2016. In its proposal, RendezVous LeBreton Group imagines the construction of a major event centre, the LeBreton Square space, an abilities

centre, an aqueduct and an experiential innovation promenade. In addition to transforming the area with new features, the redevelopment will complement existing and soon-to-be-completed infrastructure, such as Ottawa's light rail transit (LRT) system.

In November 2016, the NCC granted preferred proponent status to the RendezVous LeBreton Group, initiating formal negotiations to govern this major redevelopment project. While these negotiations are expected to continue for several months, the NCC will continue to provide updates and engage with key stakeholders and partners, including the City of Ottawa and Algonquin communities. Continued collaboration, as well as further public engagement, will be critical to realizing the vision moving forward.

The NCC also made substantial progress this year in completing the site preparation for Pindigen Park a new public green space at LeBreton Flats. Site work will be completed in early 2017–2018, with the installation of interpretive elements by Canadian Heritage. The park is scheduled to officially open in time for the sesquicentennial celebrations this summer.



Zibi Development

The Chaudières Falls and Ottawa River have been tremendously important to the culture and history of the Capital Region, particularly for Indigenous peoples. This is where First Nations gathered centuries ago, where a settlement was founded that eventually became the city of Gatineau, and where the region's pulp and paper industry has its roots.

While the majority of lands under development belong to the private sector, the NCC has worked collaboratively with Windmill Development Group to ensure that the vision for the Capital is reflected in the development, including public benefits, for example, parks, pathways and vantage points for viewing landmarks such as Parliament Hill and the Chaudières Falls. The NCC also had several productive meetings with the Algonquin Delegation of Chiefs and the Algonquins of Ontario, as well as some councillors and elders, who represented seven communities from Quebec and Ontario. In these meetings, information on the potential merits of the development were shared and discussed, as were the communities' questions and concerns. Engagement with the Algonquin communities will continue throughout 2017 and beyond.

Shorelines and Waterways

United by the convergence of the Ottawa, Gatineau and Rideau rivers, the Capital Region is home to some iconic shorelines and waterways. These rivers were vital to the life of the Algonquin people and were how European explorers first reached the Capital Region. Additionally, the rivers have contributed enormously to the development of the region throughout history, from the early trading days to logging and eventually power generation. In addition to their historical significance, these natural assets provide residents and visitors with scenic views and enjoyable outdoor activities year-round. To reflect this heritage, the NCC has made it a priority to offer greater public access and improve connectivity to these areas.

As part of this vision, plans are being developed for linear parks along the Sir John A. Macdonald Parkway and the north shore of the Ottawa River in the Capital's core area. These plans are to be completed over the next year, and will help to promote a vibrant river culture that celebrates the distinctive features of the region's shorelines and waterways.

This past January, the NCC purchased the convent of the Congrégation des Servantes de Jésus-Marie. More than a century old, this waterfront property on the Ottawa River was the last parcel of private land in Jacques-Cartier Park. The NCC's acquisition of the convent not only demonstrates the corporation's role as a trusted steward of historical property, but it also consolidates the northern bank of the Ottawa River as public domain. This will be critical for long-term planning, especially for the potential to offer continuous access to the shorelines for residents and visitors. Along the Rideau Canal, the NCC also negotiated with Parks Canada to enable boat launch sites, and collaborated with the City of Ottawa to provide pedestrian crossings near the Bank Street Bridge and at Commissioners Park.



CAPITAL STEWARDSHIP

As the largest landowner in the Capital Region, the NCC is the principal steward entrusted with caring for and protecting the prominent public places that are essential to Canada's symbolic, natural and cultural heritage.

As the main steward and caretaker of the nation's capital, the NCC manages, maintains, rehabilitates and protects key natural and cultural assets around the Capital Region. Much of this work involves the front-line delivery of services for many of the parks, pathways, buildings, facilities and monuments that residents and visitors enjoy year-round.

In addition to protecting these areas, the NCC also provides meaningful ways to discover and experience the Capital Region's extensive natural assets and striking beauty. Hiking in Gatineau Park, skating on the Rideau Canal Skateway and cycling along car-free parkways during Sunday Bikedays are all opportunities created through the NCC's programming and services.



Value of Natural Capital

In November 2016, the NCC released a study on natural capital, conducted in partnership with the David Suzuki Foundation and the Université du Québec en Outaouais. The study estimates the total economic value of the NCC's green spaces, which include wetlands and rural and urban forests, at \$5 billion over 20 years. Additionally, these green spaces provide numerous benefits beyond traditional market value, including air quality control, water filtration and climate regulation. This helps demonstrate the inherent links between the Capital Region's social, economic and environmental well-being.

What are the annual benefits received from the NCC's natural capital?

Green spaces: \$332 million

Wetlands: \$59,394 per hectare (the climate regulation from NCC wetlands alone is valued at \$2.86 million per year)

Urban forests: \$9,352 per hectare

Rural forests: \$4,183 per hectare

Prairies and grasslands: \$3,338 per hectare

Croplands: \$1,363 per hectare

Gatineau Park

Covering a total of 36,131 hectares, Gatineau Park is a stunning natural conservation area located minutes from the urban core of the Capital. The Park's vast splendour—including its trails, forests, lakes and look-out points—has been noted in early regional plans as a central feature contributing to the uniqueness of the the Capital Region.

Since Gatineau Park's early days, its conservation and preservation have remained a priority. The NCC will continue its work in protecting ecosystems and species at risk, controlling invasive species and conducting scientific assessments. However, the NCC also remains committed to offering Canadians sustainable recreational opportunities within the Park. The NCC continues to engage the public—including users, local residents, surrounding municipalities and Indigenous communities—in the responsible stewardship of the Park. This engagement will be critical in the future, as the NCC begins the process of renewing the Gatineau Park Master Plan later this year.

Year-Round Visitors to Gatineau Park in 2016–2017

- 122,252 visitors came through the Visitor Centre at 33 Scott Road: 14,633 more than last year
- 51,549 people visited the Mackenzie King Estate: 6,771 more than last year
- 12,000 passengers used the Fall Rhapsody shuttle service
- 7,184 winter ski passes were sold, and 1,051 snowshoeing passes were sold

Environmental sustainability

The Report on Gatineau Park Ecosystems was released in 2016–2017, highlighting a suite of environmental indicators used to analyze 10 years of data on the Park’s ecological health status. The report findings suggest that, in general “the overall condition of the Park is good, and that the condition appears to be relatively stable,” in terms of environmental sustainability. This marks an improvement from the previous assessment conducted in 2006, where the condition was determined to be “acceptable.”

Action plans are being developed to address issues outlined in the report. The information collected through this study will be valuable in renewing the Gatineau Park Master Plan.

Enjoying the year-round beauty of Gatineau Park

This year was a great success for Gatineau Park, which has grown in popularity, as residents and visitors continue to enjoy it year-round. The revenue from day pass sales was up 200 percent from the previous season, with record-high sales for season passes as well. The winter season was especially successful, with an increase of more than 80 percent in the number of day

passes sold for skiing, snowshoeing, and snow biking. The number of season passes sold for these activities was up by almost 10 percent. Gatineau Park also saw significant increases in the number of people using the Visitor Centre, visiting the Mackenzie King Estate and camping. In addition, Gatineau Park has experienced unprecedented engagement with youth. In spring and early summer 2016, more than 1,000 young people from 18 different schools participated in NCC programs. With school-based programming continuing in 2017, all available spots for outings were booked as of early December 2016. This is a testament to the continued work of the Friends of Gatineau Park, as well as the many educators who are bringing their students to experience the Park during Canada’s 150th anniversary.

As a popular year-round attraction, the Park provides the region with tangible economic benefits. In April 2017, the NCC released its Gatineau Park Visitor and Economic Impact Study, covering the period of September 2015 to August 2016. During this time, the Park attracted 2.65 million visits. Based on this study, from an economic standpoint, the Park’s impact on gross domestic product is an estimated \$241.5 million; and it maintains the equivalent of nearly 5,000 full-time jobs.

Contributing to the Capital: The Friends of Gatineau Park

As a partner in stewardship, the Friends of Gatineau Park is a group of passionate citizens and volunteers who are dedicated to helping visitors understand, appreciate and enjoy the Park, and explore its abundant natural and human heritage. The Friends of Gatineau Park provide a wide range of educational activities in the Park, including group tours and various interpretation work offered in collaboration

with the NCC. In addition, through their efforts this past winter, visitors could participate in the Snowshoe Under the Stars program, the Outdoor Wilderness Skills workshop series, and a snowshoe and spa experience delivered in partnership with Nordik Spa-Nature. The group also participates in local events, helping to spread more of its enthusiasm for nature and the outdoors to the community.



Value-added services

This was another successful year for Fall Rhapsody, and the NCC continued to offer the public a free shuttle service from Camp Fortune to various viewpoints throughout the Park. Building on the success of a 2015 pilot project, this year, the service was enhanced with the addition of a second shuttle from downtown Gatineau to Pink Lake and the Mackenzie King Estate. This partnership with the Société de transport de l'Outaouais and OC Transpo brought 12,000 passengers to the Park to see the splendid fall colours, while also helping to reduce local congestion. On the second weekend of Fall Rhapsody, more than 1,500 people turned out for the fourth edition of the *Anishinabe Nibin*, or Algonquin summer—a wonderful celebration of Algonquin culture and tradition at the Gatineau Park Visitor Centre.

The NCC continued to look for other ways to attract more visitors to the Park as well. For example, the Winter Loyalty Program was introduced this past year, representing an agreement between the NCC and local businesses to offer exclusive discounts to winter pass holders. In addition, a winter carnival for new Canadians was held in March 2017, in collaboration with the Friends of Gatineau Park. The carnival was offered as part of the Canada 150 celebrations, and its goal was to encourage new Canadians to go outside and experience the joys of winter and the Park.

Contributing to the Capital: *The Coopérative de solidarité de la ferme Moore*

Claude Sirois and Sylvain Bertrand, as co-founder and chair of the Coopérative de solidarité de la ferme Moore, have helped provide new opportunities to reconnect with one of the Capital Region's historic agricultural properties. More than a century old, the Moore Farm Estate in Gatineau, stands as an example of the early 20th century farms scattered across Canada.

Once owned by Philemon Wright, the founder of Hull, the 30-acre estate has been restored and now offers year-round public access. After signing a five-year lease with the NCC in 2015, the Coopérative has created the Centre d'écologie et d'agriculture urbaine de Gatineau at the farm, which helps to promote ecology, urban agriculture and conservation in the Capital

Region. As part of this year's sesquicentennial celebrations, the Moore Farm is also host to the Ecology and Urban Agriculture Pavilion.

"We want people to come up and get their hands dirty—kids and families—to see the way things used to be."

—Claude Sirois

Scientific Research in the Greenbelt

Canada's Capital Greenbelt is the largest publicly owned greenbelt in the world. Given its vast biodiversity, it has become a hub for natural resource management and science, facilitated by the NCC and several partners. This research is not only helping to promote a better understanding of the unique ecological habitat of one of the Capital Region's natural jewels, but it has international implications as well.

This past year, several research partnerships contributed to the ongoing stewardship of the Greenbelt, spanning the NCC's vast and precious green spaces. In Shirleys Bay, which is also the site of a provincially significant wetland, Carleton University professor and Canada Research Chair Dr. Steven Cook is undertaking a three-year aquatic research study on fish ecology and conservation. In the unique Southern Farm / Pinhey Forest area, Dr. Peter Dang and Dr. Henri Goulet, retired entomologists from Agriculture and Agri-Food Canada, have been working since 2012 to restore the 10,000-year-old sand dune ecosystem.

In Stony Swamp, Dr. Joseph Bennett of Carleton University is studying invasive species control and management to protect threatened species in one of the most ecologically diverse protected areas in the



Ottawa Valley. One of the Greenbelt's most impressive natural features, the Mer Bleue ecosystem, is also one of the most studied bogs in the world. Several projects are under way to study climate change in the bog, which covers 35 km² and contains peat that is up to six metres deep. For example, Dr. Tim Moore and Dr. Nigel Roulet of McGill University are examining carbon sequestration in its boreal peatland as part of the Peatland Carbon Study.

Contributing to the Capital: Dr. Tim Moore and Dr. Nigel Roulet

As two of the active investigators on the Peatland Carbon Study (PCARS), Dr. Moore and Dr. Roulet have been working in the bog for many years. Estimated to be 7,700 to 8,500 years old, Mer Bleue is the principal research site for PCARS, and is one of the few remaining accessible peatlands in the southern part of Canada.

As approximately one third of the world's biological carbon is stored in peatlands, Dr. Moore and Dr. Roulet's research is measuring the amount of carbon absorbed and released from Mer Bleue, which will help predict the impact of climate change on bogs that cover many of the more remote parts of Canada.

Restoration of the Official Residences

In the summer of 2016, construction work began to rehabilitate the forecourt of Rideau Hall, the official residence and workplace of Canada's governor general. The forecourt serves as a welcoming and staging site for major events, state ceremonies and public activities. Working with the Office of the Secretary of the Governor General, the NCC is rehabilitating the Terry Fox Fountain of Hope, resurfacing and regrading the existing forecourt area, installing new electrical and lighting infrastructure, and improving drainage. Much of the work continued throughout the year, with planned completion for early summer 2017. The NCC is also participating in the development of a long-term vision for Rideau Hall.

Canadiana Fund

For over 25 years, the Canadiana Fund's contribution to the official residences has been immense, whether in the form of artwork, furniture, or rare and precious objects. Acquisitions made through the fund become part of the Crown Collection of the official residences of Canada—the inventory of all the significant artifacts owned and preserved for the official residences. The pieces chosen often reflect Canada's heritage, artistic traditions and historical associations, or they may complement the architectural style of a particular residence. This past year, the Canadiana Fund was able to acquire two digital chromogenic colour prints (*Grasses, Bruce Peninsula, Ontario, Canada 1981* and *Mount Edziza #2, Northern British Columbia, Canada 2012*) from the acclaimed Canadian photographer Edward Burtynsky, who is creating the giant images that form part of the National Holocaust Monument.



Terry Fox Fountain of Hope

Honouring great Canadians is one important way to celebrate our country's sesquicentennial. In 1980, Terry Fox inspired Canadians across the country with his Marathon of Hope in support of cancer research. This year, the NCC is a partner in rehabilitating the Fountain of Hope, which was built in 1981 and 1982 to commemorate Terry's journey, as well as the United Nations International Year of Disabled Persons. This new structure will continue the legacy of symbolizing Terry's endurance and determination, serving as a constant reminder of hope for all Canadians.



National Commemorations

Part of the NCC's stewardship role involves working closely with the federal government to support the establishment of national commemorations that honour the key historical contributions and experiences of people in our country and around the world. The NCC is responsible for collaborating with partners to facilitate the development of commemorative monuments through land use approvals, technical and design expertise, and project management. The NCC also maintains existing monuments on federal lands.

National Holocaust Monument

Construction of the National Holocaust Monument began at LeBreton Flats in late spring 2016. This monument will honour the contributions that Holocaust survivors have made to Canada, as well as evoke the enduring lessons of the Holocaust for all Canadians. The NCC is overseeing the construction of the monument and will be responsible for its long-term maintenance and preservation, once completed. A site dedication ceremony hosted by the National Holocaust Monument Development Council was held, including participants from the NCC, along with the Prime Minister, the Minister of Canadian Heritage, other public officials, members of the survivor community and donors. The monument is scheduled to be completed in August 2017, and formal inauguration will proceed, according to the Government's revised project timeline, in September 2017.



CREATIVE PARTNER

As a creative partner, the NCC meaningfully engages and collaborates with a wide range of stakeholders and citizens to help build a strong and distinctive Capital Region that represents all Canadians.

In the ongoing pursuit of creativity and innovation, the NCC is a value-added partner that builds strong relationships, fosters strategic partnerships and collaborates with a diverse range of citizens and stakeholders across the Capital Region. Through this approach, the NCC aims to ensure that all Canadians can contribute in meaningful ways to building a distinctive and inspiring capital.



Building Relations With Indigenous Peoples

The NCC continued to seek ways to build strong relations with local Indigenous leaders and peoples, with a focus on ensuring that their interests are truly reflected in the numerous projects and initiatives being undertaken across the region.

Delegation of Algonquin Chiefs

In 2016, the NCC began holding regular discussions with the Delegation of Algonquin Chiefs, which is open to all communities represented by the Algonquin Nation Secretariat and the Algonquin Anishinabe Nation Tribal Council (AANTC). This has created a gathering where the NCC can engage Algonquin leadership to discuss a variety of topics, including major capital projects in the region, and the management and use of NCC lands. This dialogue aims to create and foster a positive working relationship and closer collaboration between the NCC and the Algonquin Nation.

Victoria Island

The NCC is in productive discussions with Algonquin leaders of the region to work on restoring 150 Middle Street on Victoria Island, which is envisioned to become the *Kabeshinân Minitig* (Victoria Island) Pavilion, a Confederation Pavilion slated to open in summer 2017. This stone building carries an industrial history as the previous headquarters of the Bronson Company, which pioneered sawmilling, and later converted to pulp and hydroelectric power production. The building was acquired by the NCC in 1966.

The NCC, along with the chiefs from Pikwakanagan and Kitigan Zibi and the AANTC Grand Chief, established the Victoria Island Steering Committee in May 2016. This committee provides advice and guidance to ensure the appropriate cultural uses of the island in the short term (for example, requests to hold ceremonies and sacred fires), and to lay the groundwork for a framework that will define and realize an Algonquin-led long-term vision for the island.



Place Abinan

As part of the Jacques-Cartier Street shoreline redevelopment project, the NCC, in collaboration with the Kitigan Zibi Anishinabeg community and Ville de Gatineau, inaugurated Place Abinan. The name *Abinan* means “People were here” in Anishinabe (an Algonquin language). This new public space along the north shore of the Ottawa River highlights the long history of the Algonquin Nation in the region. The artwork by Anishinabe artist Simon Brascoupé, entitled *Birch Bark Basket*, is prominently displayed at the site.

During the redevelopment project, archaeological excavations between 2013 and 2015 uncovered more than 125,000 artifacts dating back approximately 3,600 to 7,000 years. Apart from its contribution of \$16 million to the shoreline redevelopment project, the NCC also lent the expertise of archaeologist Ian Badgely as part of the creation of Place Abinan.

Archaeology protocol

With responsibility over the use of federal lands, the NCC is committed to heritage conservation, which includes managing archaeological resources—before, during and after development work—and considering archaeological issues as part of its planning. This work involves mapping the archaeological potential of the Capital Region, conducting environmental assessments to minimize adverse environmental impacts (including on archaeological resources) and ensuring adequate artifact storage.

Indigenous engagement is essential in this area, particularly for excavations and the discovery of artifacts in the region. This year, the NCC’s archaeology team led the review and renewal of the Protocol for the Co-Management of Archaeological Resources, previously updated in 2012. This was the result of great discussions with the Algonquins of Pikwakanagan Chief Kirby Whiteduck and Kitigan Zibi Anishinabeg Chief Jean-Guy Whiteduck, leading to a signed agreement to ensure continued collaboration between the NCC and local Indigenous communities in the protection and management of archaeological resources on NCC lands.

“The NCC is setting a standard among Crown corporations.”

Dr. Mark Kristmanson

Chief Executive Officer, National Capital Commission

Connecting With Canadians

In the area of consultation and engagement, this was one of the NCC’s most successful years, as more than 27,000 Canadians provided their input and ideas to the NCC on various topics. The NCC’s social media presence has also grown substantially over the past few years, with over 129,000 people engaging online with the NCC on Facebook, Twitter, Instagram, LinkedIn and YouTube in 2016–2017.

Capital Urbanism Lab

Designed as an innovative forum for dialogue and participation, the Capital Urbanism Lab is where community and thought leaders, experts and interested citizens gather for focused discussions on key topics facing the Capital Region. In 2016, the NCC began broadcasting on YouTube, in addition to Periscope.

In 2016–2017, the Capital Urbanism Lab offered sessions on several important and emerging topics, including the following notable examples.

- **Capital Building: A View From Washington** In September 2016, Marcel Acosta and Beth White, the Executive Director and the Commissioner of the National Capital Planning Commission (NCPC) in Washington D.C., joined Dr. Mark Kristmanson in a conversation about issues shared by the Canadian and U.S. capital cities.
- **En Route to a Smart City** In October 2016, Robin Chase, the co-founder and former CEO of Zipcar, shared her views on the impact of autonomous vehicles on urban life.
- **The Benefit\$ of Natural Capital** For the final event of 2016, the economic benefits of the NCC’s green assets, or “natural capital,” were discussed by guest speakers from the David Suzuki Foundation, the Smart Prosperity Institute and the Université du Québec en Outaouais.

- **Parks Planning, Inside and Out** In March 2017, Randall McKay, Louis-Martin Levac and Richard Scott, planners from the Town of Banff, Ville de Mont-Tremblant and Rouge National Urban Park, addressed the municipal challenges of planning within and around parks.
- **Youth Engagement in City Building** In April 2017, various groups, including the Gatineau Youth Commission, the City of Edmonton Youth Council and a group from the University of California Berkeley, explored how they engage and empower youth in their communities to take action. The Ottawa-based, youth-centred company Wingd provided support as social media ambassadors for this event.

There was also special programming to celebrate National Aboriginal Day on June 21, 2016. A session highlighting First Nations architecture and design included a panel of recognized Aboriginal architects who shared their design philosophies and discussed their most recent projects. This was followed by a special evening event hosted in collaboration with the Ottawa International Writers Festival, which brought together celebrated Indigenous poets, artists and authors from across the country.

2016–2017 Participation in Capital Urbanism Lab Events

- 1,350 in-person participants
- 756 live online participants

2016–2017 Public Engagement Highlights

The NCC hosted 64 public engagement events (19 more than last year):

- 9 online events, 8 public consultations, 37 stakeholder and community meetings, 10 Capital Urbanism Lab events

The Ottawa Hospital Civic Campus

At the request of the Minister of Canadian Heritage, the Honourable Mélanie Joly, the NCC undertook a review of 12 possible federal sites for The Ottawa Hospital's new Civic Campus. The review, conducted from June to November 2016, aimed to ensure that this important health care facility benefited from a strong planning foundation, and could meet the needs of the patients who will depend on it in the coming decades. The NCC was tasked with employing a rigorous, evidence-based research process, complemented by public and stakeholder engagement.

Throughout the summer and fall of 2016, the NCC conducted extensive consultations to help inform the development of sound, evidence-based recommendations. More than 8,000 people provided their input both on the selection criteria and on potential sites for the future hospital. Additionally, the NCC engaged a wide range of key stakeholders spanning various jurisdictions, including Heritage Ottawa, Friends of the Central Experimental Farm, the City of Ottawa, the Champlain Local Health Integration Network (LHIN), the Centre intégré de santé et de services sociaux de l'Outaouais, Agriculture and Agri-Food Canada, and Public Services and Procurement Canada.

All of the feedback was analyzed and assembled into a report to inform the site evaluation committee, which met several times to develop its recommendation for the NCC Board. In November 2016, the Board recommended Tunney's Pasture as the preferred site. In December, the Minister of Canadian Heritage requested that federal officials undertake the necessary preparations to make the Sir John Carling site available as the future location of The Ottawa Hospital's



Civic Campus. This site had been ranked second by the expert committee, which noted that it met the public's clear preference for a site directly on a public transit link. Public Services and Procurement Canada will lead federal efforts to make this land available for the new Civic Campus. The NCC will continue to be involved, pursuant to its mandate and responsibilities. The NCC has already worked with The Ottawa Hospital in defining a plan that would preserve the built heritage in this sector.



Working With Universities and Colleges

Home to several universities and colleges, the Capital Region stands to benefit from engaging and empowering post-secondary students to bring their skills and energy to contribute to building a better capital.

Carleton University Architecture Lecture Series

In January, the NCC teamed up with Carleton University's Azrieli School of Architecture and Urbanism lecture series to explore concrete examples of design excellence for social places, and the multiple benefits for communities. Hundreds attended this event, held at the Canadian Museum of History. It featured architect Morten Schmidt, of Schmidt Hammer Lassen, designers of the Halifax Central Library. This collaboration with the school has been in place since the creation of the Capital Urbanism Lab in 2013.

Algonquin College and Barn Rehabilitation Strategy

With the release of the new Barn Rehabilitation Strategy, developed in partnership with Algonquin College this year, the NCC plans to take action to restore historically significant barn infrastructure in need of repair throughout the Greenbelt. This work will contribute to the NCC's environmental stewardship mandate, as well as help to showcase the Capital's agricultural capacity and legacy. Moving forward, the NCC's real estate team will be assessing the current condition of more than 80 barns, working in partnership with Algonquin College's Perth Campus. The college's Carpentry and Joinery – Heritage program, which has expertise in log and timber frame barns, will provide tremendous value in undertaking this initiative, especially in terms of professional inspection and heritage assessment.

Supporting Community-led Projects

Sir John A. Macdonald Winter Trail

While the pathways along the shorelines of the Sir John A. Macdonald Parkway are a favourite destination for recreational enthusiasts during the warmer months, this winter saw the first season of the Sir John A. Macdonald Winter Trail, a 16-kilometre multi-use winter pathway that runs along the parkway from the Canadian War Museum to Westboro Beach. This community-led initiative resulted in a two-track trail that accommodated cross-country skiers, snowshoers, walkers and snow bikers. The project involved collaboration between Dovercourt Recreation Association, the Westboro Beach Community Association and the NCC. Based on the initial success, the NCC signed a three-year agreement with Dovercourt Recreation Association to sustain the initiative.

Impressions of Residents in the Capital Region

According to a poll of 1,539 people, conducted by Environics, residents in Canada's Capital Region give the NCC high marks for the work that it does. Among poll respondents:

- 94 percent believe that the NCC has a role to play in making the Capital an inspiring reflection of Canada and Canadians (95 percent in 2014);
- 77 percent trust the NCC to make good decisions (77 percent in 2014);
- 76 percent feel that the NCC shares their values (up from 72 percent in 2014); and
- 56 percent agree that the NCC does a good job in consulting and informing the public (up from 48 percent in 2014).

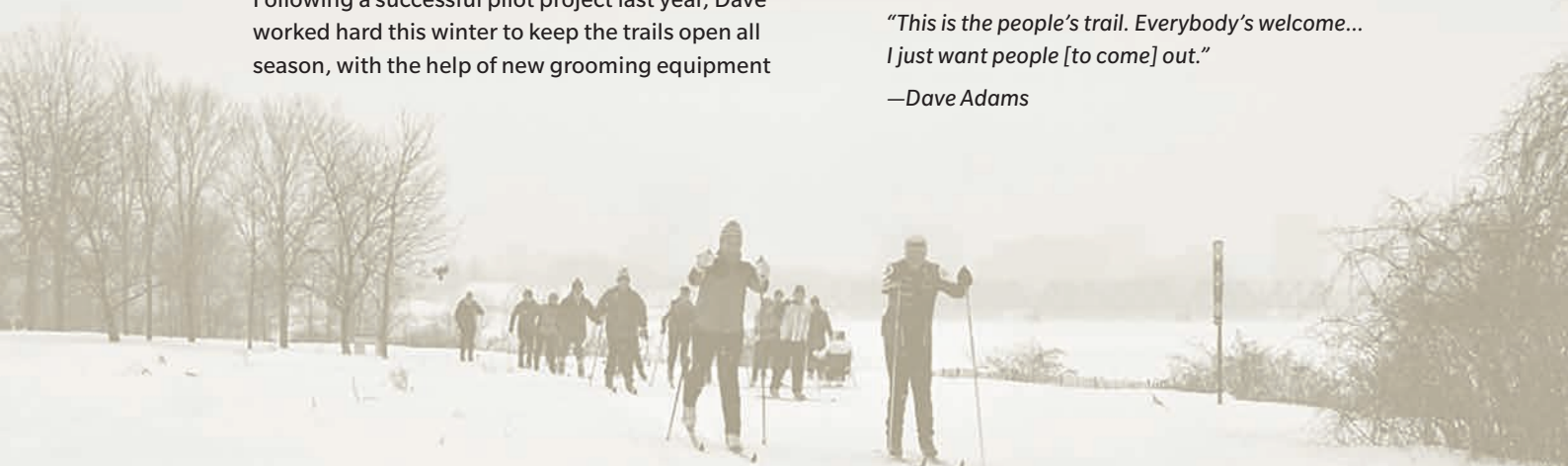
Contributing to the Capital: Dave Adams

As the head groomer and project manager of the Sir John A. Macdonald Winter Trail, Dave Adams, a community volunteer, helps ensure that thousands of active residents and visitors can enjoy the outdoors in the winter, right in the heart of the Capital Region. Following a successful pilot project last year, Dave worked hard this winter to keep the trails open all season, with the help of new grooming equipment

purchased through a crowdfunding campaign. From mid-December to April, Dave braved this year's variable weather to groom more than 28 km of the trail, providing a high-quality, safe track, and extending the winter season for all visitors.

"This is the people's trail. Everybody's welcome... I just want people [to come] out."

—Dave Adams





CORPORATE SOCIAL RESPONSIBILITY

The NCC is dedicated to promoting the principles of corporate social responsibility in all that it does. This means engaging in environmentally sound practices to help achieve sustainability, protecting the heritage of the Capital, planning a universally accessible capital and fostering a diverse, healthy workforce.



Environmental Protection and Sustainability

Last year, the NCC partnered with stakeholders on many initiatives that helped to protect the environment and ensure long-term sustainability. Green demolition practices significantly reduced the amount of building material going to landfills, and resulted in a five per cent reduction in corporate emissions. The NCC joined with the Rideau Valley Conservation Authority and the Great Lakes Guardian Community Fund to enhance and double the size of the existing wetland at the headwaters of Black Rapids Creek. These enhancements will allow for improved water quality within the watershed, more plant diversity, and increased habitat for reptiles and amphibians.

Heritage Preservation

A critical aspect of the NCC's stewardship role is managing over 1,700 properties across the Capital Region. More than 70 of these are federally designated heritage buildings, of which the NCC is a custodian. The NCC also manages six national historic sites and six official residences. Heritage preservation places importance on recognizing cultural landscapes, which link human history and the landscape, capturing the relationship between people and the environment. The NCC works on evaluations concerning properties in Canada's Capital Region, and relies on the Standards and Guidelines for the Conservation of Historic Places in Canada to guide the management of our heritage resources.



Universal Accessibility

The NCC continued its leadership in promoting and enhancing universal accessibility. The Advisory Committee on Universal Accessibility, which includes representatives from the community and the NCC, continues to play an active role. Through a continued partnership with the Rick Hansen Foundation, workshops were held to promote the implementation of an accessibility certification and accreditation program. Universal accessibility upgrades to historical landmarks have also begun in the ByWard Market area of the urban core. The new Plan for Canada's Capital stresses the importance of universal accessibility throughout the entire region. In addition, the proposal call for the redevelopment of LeBreton Flats included evaluation criteria stressing the requirement to include universal accessibility.

Workforce

The NCC is committed to workforce diversity. The organization is close to having 10 percent of its workforce represented by visible minorities, which is the objective it has set in order to reflect Canadian diversity. The NCC also followed through on the Government of Canada's commitment to mental health. The CEO is the NCC's mental health champion, a work committee in support of employee mental health has been established, an assistance program is available to staff and their families, and wellness programs such as yoga and Pilates are offered at headquarters. As well, there are more than 15 other initiatives that offer mental health information and services.



LOOKING FORWARD

To build a lasting legacy for generations to come, the NCC is looking decades ahead to ensure that it continues to fulfill the mandate of its founding legislation, which is to build a Capital Region where the nature and character of the seat of the Government of Canada reflect its national significance. This mandate sparks inspiration and creativity as the NCC envisions the future possibilities of the region.

Looking forward, the Capital Region will be undergoing an exciting long-term transition, guided by a series of bold and innovative projects and initiatives. The NCC has many critical tasks in the years ahead, from completing large-scale signature projects, to carefully planning for and addressing critical challenges that could have an impact on how it serves Canadians.

Over the next few years, the NCC will focus on continuing to build momentum on a series of priorities to guide its efforts in building a dynamic, sustainable, inspiring and thriving Capital Region. These include supporting the redevelopment of LeBreton Flats and the surrounding islands, enhancing public access and connectivity to the shorelines and waterways, modernizing its planning framework and renewing the long-term plan for Gatineau Park, creating lasting legacies, being a value-added partner, and demonstrating corporate excellence.

Celebrating Canada's Sesquicentennial and Creating Lasting Legacies

The celebrations for Canada's 150th anniversary are meant to inspire Canadians by showcasing the best that the Capital Region has to offer. Honouring this anniversary will be a main focus for the NCC until the end of 2017. In collaboration with partners, the continued unveiling of the Confederation Pavilions will give Canadians more opportunities to explore historic architecture throughout the Capital Region, while also learning about Canada's history. These iconic properties have been revitalized for this milestone year, but they will continue to be lasting legacies for Canadians to enjoy for decades. Similarly, the results of work undertaken this year to help beautify and improve connectivity will not only benefit the Capital Region in 2017, but will also be an investment for the benefit of future generations.

Supporting Major Projects

Several large-scale projects are under way and on the horizon, promising to greatly transform the Capital Region over the long term. Given the scope of these developments, it will be of prime importance to ensure that they contribute to strengthening the Capital. Consultation and engagement will continue to be at the forefront of all major NCC projects.

One of these projects is the redevelopment of LeBreton Flats, after 50 years of underuse. As negotiations with the preferred proponent continue, the next steps will be to reach an agreement on the terms and conditions, and then seek the necessary federal approvals to move forward with the project. With phased completion estimated to be between 2021 and 2026, the NCC will remain closely involved throughout the course of the project, working with the developer and key partners, and actively seeking opportunities for engagement where possible.

The ongoing construction of Ottawa's western LRT extension and proposed developments like Zibi will require similar involvement. As the Capital Region's planner, the NCC will play a critical role in granting federal land use, design and transaction approvals. For some projects, the NCC will also help facilitate consultation and engagement with key stakeholders and partners, especially local Indigenous communities.

In the coming years, the NCC will also be finalizing its plans for the Ottawa River waterfront, with a focus on improving connectivity and safety, creating more park and recreational space, and enhancing the views of the river. This will include plans for the signature Sir John A. Macdonald Riverfront Park—a nine-kilometre stretch, which includes 2.4 kilometres affected by western LRT expansion—and the north shore of the Ottawa River. In moving forward on these plans, the NCC will be consulting further with the public and engaging key stakeholders to ensure sustainable ecological management of our waterways.

Delivering on Long-Term Plans

Implementation will begin on the Plan for Canada's Capital, launched this year, which will serve as the blueprint for evolving the use of federal lands in the Capital Region. The 17 milestone projects will involve extensive work on several nationally significant buildings and properties, in areas such as the Parliamentary Precinct, Gatineau Park, the Greenbelt and Confederation Boulevard. Delivering on all of this work will require the collective efforts of a wide range of partners, including municipal and federal governments.

The NCC will also be renewing the Gatineau Park Master Plan, which sets out a long-term plan for the Park's development, use and management. The review of the previous 2005 master plan began this year, with completion expected by the end of 2017–2018. This process will include public consultations to help inform the next plan.



In its commitment to demonstrating environmental leadership, the NCC will also be updating its corporate environmental strategy, which serves as an overarching document to help guide all of its master plans and operations. Focused on several key areas such as reducing waste, protecting biodiversity and combating climate change, the last iteration of the strategy was developed in 2009 and updated in 2013. Public and stakeholder consultations on the renewed strategy will be launched next year, with the goal of beginning implementation by 2018–2019.

Improving Business, Ensuring Corporate Excellence

The NCC continually strives for corporate excellence as an exemplary federal Crown corporation, and challenges itself to better serve Canadians at all opportunities. As part of this commitment, the NCC will undertake a broad range of efforts. This includes evolving its performance measurement and risk management frameworks to align with new government requirements and public sector best practices; promoting the highest standards of client service, efficiency and effectiveness in the management of its residential and agricultural leasing; enhancing its internal operations and optimizing its business processes; and continually promoting openness and transparency through an emphasis on citizen and stakeholder participation.

A critical component of corporate excellence is providing the support and opportunities needed to recruit and retain a skilled and diverse workforce. The NCC remains committed to its employees—who are essential for delivering on the organization’s goals—and has developed a number of programs to help engage them, improve their workload and provide a healthy work environment. These strategies will ensure an appropriate work–life balance for employees, as well as provide access to learning opportunities and the support necessary to undertake their daily tasks. Together, these initiatives provide a foundation to help enhance the NCC’s corporate performance.

Navigating Challenges and Opportunities

As the largest owner and manager of lands in the Capital Region, the NCC oversees a vast network of infrastructure, which is used every day, and includes buildings, parks, bridges, parkways, pathways and trails. Although considerable maintenance and preservation work is ongoing across the region, the NCC is still faced with addressing a significant deferred maintenance deficit for its assets. The NCC and its board recognizes that the deteriorated condition of many assets, including some of the most cherished aspects of the Capital Region, poses a challenge that needs to be addressed.

The NCC will also continue to consider its role in addressing the prominent emerging forces that will shape regional planning long into the future. A concerted focus on citizen engagement and on bringing more people into the NCC’s planning and decision-making processes will help ensure that the Capital Region represents all Canadians, while also helping to navigate the uncertainties of the future. It is the NCC’s responsibility to provide meaningful opportunities for the public, stakeholders and partners to have a say in how the Capital Region evolves, as it ultimately belongs to all Canadians.



CORPORATE GOVERNANCE

Mandate

The National Capital Commission (NCC) is a federal Crown corporation created by Canada's Parliament in 1959 under the *National Capital Act*. The role of the NCC, as defined in the *National Capital Act*, is "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." The corporation fulfills this role through the following areas of activity:

- setting the long-term planning direction for federal lands in Canada's Capital Region;
- guiding and controlling the use and development of federal lands in Canada's Capital Region;
- managing, conserving and protecting NCC assets (including Gatineau Park, the Greenbelt, urban parks, real property, and other assets such as bridges, pathways and parkways); and
- maintaining heritage sites in Canada's Capital Region, such as the official residences and commemorative sites.

As a federal Crown corporation, the NCC is subject to Part X of the *Financial Administration Act*. The NCC reports to Parliament through the minister of Canadian Heritage, who is designated as the minister for the purposes of the *National Capital Act*.

Mission

The NCC's mission is to ensure that Canada's Capital Region is of national significance and a source of pride for Canadians.

Guiding Principles

To guide the conduct of its activities, the NCC abides by the following principles. These principles support the priorities established by the federal government for Crown corporations.

Accountability

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

Openness and Transparency

The NCC is committed to ensuring the openness and transparency of its activities, and to seeking public and stakeholder feedback, recognizing that the nation's capital is for all Canadians to enjoy.

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 integrity, honesty, respect and fairness.

Leadership and Innovation

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

Organizational Pillars

Central to everything the NCC does are ongoing initiatives to put people first and to build a greener capital. Both are embedded in the culture of the NCC.

Putting People First

The NCC is committed to creating a stimulating and engaging work environment for its employees, and to having a representative workforce. When dealing with the public, the NCC strives to be an open and transparent organization that achieves excellence in client service and public engagement.

Building a Greener Capital

As the principal steward of federal lands in Canada's Capital Region, the NCC is committed to building a greener capital to ensure the long-term sustainability of the region.

Board of Directors

Composition, Roles and Responsibilities

The NCC's national board of directors brings together people of relevant professional backgrounds, from the Capital Region and across Canada. As defined in the *National Capital Act*, the board consists of a chairperson, a chief executive officer (CEO) and 13 other members, from the Capital Region and other parts of the country. At this time, seven members of the Board are from Canada's Capital Region (including the Chair and CEO), while the remaining eight members are from across Canada. The mayors of the City of Ottawa and Ville de Gatineau are also participants in all board meetings, on an ex officio, non-voting basis.

The board of directors is responsible for the oversight and direction of the NCC's activities and assets. In carrying out this role, the board of directors undertakes the following:

- sets broad strategic directions for the organization;
- ensures the effective and efficient use of corporate resources;
- monitors and reviews corporate performance and risks;
- approves key accountability documents for the government, such as the corporate plan, annual report and quarterly financial reports;
- approves significant projects and transactions to be undertaken by the organization; and
- communicates and fosters relationships with government, stakeholders and the public.

In its corporate oversight role, the board of directors plays an active part in setting and monitoring management direction. The CEO is accountable to the board of directors for the management of the NCC's activities and the implementation of the board's strategic directions for the coming year. The CEO reports to the board of directors on corporate performance at the start of each board meeting by presenting a report on activities.

Board Appointments

The minister responsible for the *National Capital Act* appoints board members with the approval of the Governor-in-Council, while the Governor-in-Council appoints the chair and CEO. As of February 2016, a new appointment process is in place for Governor-in-Council appointments, including chairs, heads and members of boards of directors. The new requirements establish an open, transparent and merit-based selection process for Governor-in-Council appointments. Under this process, interested individuals can apply to the Government for appointment. A selection committee will assess candidates and identify those found to be the most highly qualified for appointment. Based on this advice, the minister makes a recommendation to the Governor-in-Council for appointment.

Municipal Participation at Board of Directors Meetings

In February 2016, the NCC Board of Directors amended its by-laws to include the mayors of the City of Ottawa and Ville de Gatineau as participants in all board meetings on an ex officio, non-voting basis. This agreement was formalized by the mayors, in the presence of the Minister responsible for the NCC, with the signing of a statement of agreement, in April 2016.

The participation of the mayors is governed by the same code of conduct, confidentiality provisions and conflict of interest rules required of NCC board members. As ex officio, non-voting participants, the mayors, like all other members, can participate in discussions by raising questions and making comments during meetings of the NCC's board. The mayors are present for all board business, with the exception of some items to respect commercial confidentiality, cabinet confidences, solicitor-client privilege, human resource or privacy matters, or matters related to the official residences of Canada.

Accountability and Operations

The board of directors operates under a series of by-laws and charters. The NCC by-laws detail the powers of the board under the *National Capital Act*, provide specific information pertaining to board meetings, delegate powers to the CEO and corporate secretary, and contain other operating resolutions, such as banking operations, and municipal participation at board of directors meetings. The NCC charters set forth the duties and responsibilities of the board of directors and corporate committees.

The corporation's governance framework is reviewed by the Governance Committee once every three years to ensure that it continues to reflect corporate governance best practices and to meet the requirements of the corporation. The next scheduled review will be completed in 2017–2018.

Board members are required to act honestly, diligently, carefully, in good faith and in the best interests of the NCC. They are bound by the *Financial Administration Act*, the *Conflict of Interest Act*, the code of conduct and conflict of interest guidelines for members of the NCC board of directors, as well as the NCC by-laws. All board members are obliged to declare any conflicts of interest annually and as they arise during the year. Board members must recuse themselves from decision making in any situation that could be considered a real or perceived conflict of interest.

The board of directors assesses its collective performance through a structured self-evaluation process.

The board meets in person five times per year, as well as via teleconference on an as-required basis throughout the year. Each meeting consists of an open public session and an in-camera session. The public is invited to attend the public session in person or to view proceedings online, via live webcast on the NCC's website and YouTube. Live updates of meeting proceedings are also provided via social media. Meeting agendas, submissions to the board and other documents, such as the CEO's report on activities, are also posted on the NCC website.

The NCC also holds an annual public meeting, where members of the public are able to express their ideas and ask questions directly to the board. The scope of the annual public meeting also includes direct public input in a workshop to discuss the NCC's strategic priorities for the coming year.

In 2016–2017, the NCC Board of Directors held five public meetings, five in-camera meetings, six in-camera conference calls, two electronic votes, an annual public meeting and an eighth annual strategic planning session.

National Capital Commission Board of Directors at March 31, 2017 ^{1, 2, 3}



Russell Mills
Chair
Ottawa, Ontario
April 30, 2012 to
April 29, 2017
A, B, C, 1, 2



Dr. Mark Kristmanson
Chief Executive Officer
Ottawa, Ontario
February 3, 2014 to
February 2, 2019
A, B, C, 1, 2



Victor Brunette
Gatineau, Quebec
June 18, 2015 to
June 17, 2019
1



Brian Coburn
Ottawa, Ontario
June 18, 2015 to
June 17, 2019
C



Norman Hotson
Vancouver, British
Columbia
January 30, 2014 to
January 29, 2018
2, C



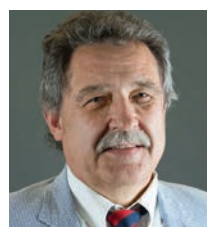
Aditya Jha
Mississauga, Ontario
March 26, 2015 to
March 25, 2019
2, B



Carol Loughrey
Fredericton,
New Brunswick
July 1, 2015 to
June 30, 2019
B, C



Lisa M. Macdonald
Nova Scotia
July 1, 2015 to
June 30, 2019
C



Michael Pankiw
Edmonton, Alberta
December 17, 2013 to
December 16, 2017
1, B



Robert Plamondon
Ottawa, Ontario
May 14, 2014 to
May 13, 2018
A, B



Michael Poliwoda
Gatineau, Quebec
November 1, 2012 to
October 31, 2016
A, C



Denys Rivard
Montréal, Quebec
December 17, 2013 to
December 16, 2017
B, C



Kay Stanley
Ottawa, Ontario
June 21, 2012 to
June 20, 2016
A, C



Basil L. Stewart
Summerside,
Prince Edward Island
June 18, 2015 to
June 17, 2019
B

Corporate Committees

A = Executive Committee
B = Audit Committee
C = Governance Committee

Advisory Committees

1 = Advisory Committee on Planning, Design and Realty
2 = Advisory Committee on the Official Residences of Canada

1. Marc Seaman was appointed as chair of the NCC Board of Directors on June 6, 2017, for a five-year term.
2. In February 2016, the NCC Board of Directors amended its by-laws to include the mayors of the City of Ottawa and Ville de Gatineau as participants at all board meetings on an ex officio, non-voting basis.
3. As at March 31, 2017, there was one vacancy on the Board of Directors.
4. An incumbent board member will remain in office past the expiration of his or her term until a successor is appointed.

Ex officio participants (non-voting)



Maxime Pedneaud-Jobin
Mayor of the
Ville de Gatineau



Jim Watson
Mayor of the
City of Ottawa

Committees

Three corporate committees support the board of directors, and four advisory and special committees provide advice to the CEO and executive management.

Corporate Committees

The Executive Committee is called upon when necessary to deal with specific business or issues. In such cases, the board of directors can delegate certain powers and functions to this committee. Currently, these delegated powers include limited power to grant approvals of leases for a period greater than five years, easements for a period exceeding 49 years, and level 1 and 2 of federal land use, design and transaction approvals.

The Audit Committee oversees the integrity of the NCC's financial information, reporting, processes and controls, as well as the NCC's internal audit function.

The Governance Committee assists the board in overseeing and assessing the NCC's governance framework to ensure that it meets effective corporate governance principles and best practices.

Advisory and Special Committees

Advisory and special committees provide technical advice to the CEO and executive management in implementing the NCC's mandate. Recognized experts from across Canada are recruited to sit on these committees. The board of directors appoints advisory committee members. The CEO appoints special committee members. In 2016–2017, the NCC initiated open calls of interest for positions on the advisory committees.

Advisory Committees

The Advisory Committee on Planning, Design and Realty provides objective, professional advice on the NCC's long-range plans and policies for the use of federal lands in Canada's Capital Region, land use and design proposals affecting such lands, and other real property issues. Committee members are experts in real estate development; environmental, urban and regional planning; urban design; heritage preservation; architecture; and landscape architecture.

The Advisory Committee on the Official Residences of Canada provides objective, professional advice on asset management and matters relating to the six official residences in Canada's Capital Region. The committee also provides advice to Public Services and Procurement Canada—the custodian of the Citadelle, the governor general's official residence in Québec City. Committee members are experts in interior design, architecture, heritage and real asset management.

Special Committees

The Advisory Committee on Universal Accessibility provides objective, professional advice on how to address universal accessibility requirements for projects undertaken by the NCC.

The Canadiana Fund is responsible for soliciting donations of heritage art, artifacts, furniture and funds for the enhancement of staterooms in the official residences. Pieces that are chosen reflect Canada's heritage, artistic traditions and historical associations, or complement the architectural style of a particular residence.

Remuneration

Remuneration for the board of directors is set by the Governor-in-Council, and follows the Privy Council Office's Remuneration Guidelines for Part-Time Governor-in-Council Appointees in Crown Corporations. The chair of the board of directors receives an annual retainer of between \$8,000 and \$9,400 and a per diem of \$375 for attending board and committee meetings, and for certain special executive, analytical or representational responsibilities approved by the board of directors. Other board members who participate in committees and perform other special duties receive an annual retainer of between \$4,000 and \$4,700 and a \$375 per diem. In addition, board members are reimbursed according to Government of Canada directives. The chair of the Audit Committee receives an additional retainer of \$2,000 per year. As ex officio non-voting participants, the mayors of Ottawa and Gatineau do not receive remuneration.

Board of Directors Remuneration

Earned from April 1, 2016 to March 31, 2017

| Board Members | Retainer 1 | Per Diems 1, 2, 4, 5 | For Travel 2, 3 | Total | Attendance | | | | | |
|-------------------|---------------|----------------------------|-----------------------|---------------|--------------------------------|---|----------------|----------------|-------------------|-------------------|
| | \$ (A) | \$ (B) | \$ (C) | \$ (A+B+C) | Board Meetings 16.5 days | Committee Meetings (Corporate and Advisory) | | | | |
| | | | | | | EC 2.0 days | AC 2.5 days | GC 2.5 days | ACPDR 7.5 days | ACORC 1.5 days |
| Victor Brunette | 4,000 | 6,188 | 0 | 10,188 | 15 | – | – | – | 5.5 | – |
| Brian Coburn | 4,000 | 4,875 | 0 | 8,875 | 16 | – | – | 2.5 | – | – |
| Norman Hotson | 4,000 | 3,844 | 1,531 | 9,375 | 10 | – | – | 2 | – | 1 |
| Aditya Jha | 4,000 | 3,000 | 0 | 7,000 | 11.5 | – | 1.5 | – | – | 1.5 |
| Carol Loughrey | 4,000 | 5,438 | 1,581 | 11,019 | 14 | – | 2.5 | 2.5 | – | – |
| Lisa M. Macdonald | 4,000 | 4,500 | 1,109 | 9,609 | 15.5 | – | – | 2.5 | – | – |
| Russell Mills | 9,400 | 41,875 | 0 | 51,275 | 16 | 1.5 | 2 | 2.5 | 5.5 | 1.5 |
| Michael Pankiw | 4,000 | 9,938 | 2,906 | 16,844 | 16.5 | – | 2.5 | – | 7.5 | – |
| Robert Plamondon | 6,000 | 10,406 | 0 | 16,406 | 16 | 2 | 2.5 | – | – | – |
| Michael Poliwoda | 4,000 | 5,125 | 0 | 9,125 | 12 | 2 | – | 2.5 | – | – |
| Denys Rivard | 4,000 | 4,125 | 102 | 8,227 | 13.5 | – | 1.5 | 2 | – | – |
| Kay Stanley | 4,000 | 10,406 | 0 | 14,406 | 15 | 1.5 | – | 2.5 | – | – |
| Basil L. Stewart | 4,000 | 5,250 | 2,047 | 11,297 | 16 | – | 2.5 | – | – | – |
| Total | 59,400 | 114,970 | 9,276 | 183,646 | | | | | | |

1. Rates per Privy Council Order 2002-368, effective October 1, 2000, rounded to nearest whole dollar.
2. Includes attendance at briefing sessions, strategic planning sessions, corporate and advisory committee meetings, the annual public meeting, and, for the Chair, includes per diems for executive duties approved by the Board.
3. Remuneration for travel is based on the geographical location of the residence of Commission members, and does not cover travel expenses, which are reimbursed to members based on reasonable out-of-pocket expenses.
4. Includes attendance at in-camera Board and committee teleconference meetings, special duties and electronic votes.
5. Russell Mills, as the chair, was an ex-officio member on the advisory committees, and received a per diem for attending meetings.

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

Independent Audit

The Office of the Auditor General of Canada (OAG) serves as the auditor for the NCC. The OAG performs an annual audit of the NCC's year-end financial statements to provide an opinion on whether or not the financial statements present fairly, in all material respects, the corporation's financial position and operating results, changes in net debt and net financial assets and cash flows, and if the transactions that have come to the auditor's notice in the course of the audit are carried out according to Part X of the *Financial Administration Act* and regulations, the *National Capital Act*, the by-laws of the corporation, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

The NCC, as a federal Crown corporation, is subject to a special examination by the OAG every 10 years. The special examination is performed to obtain assurance that, based on the criteria established for the examination, there are no significant deficiencies in the corporation's systems and practices selected for the examination. The latest special examination was completed in 2017. The OAG's special examination report was presented to the Board in June 2017, published on the NCC's website in August 2017 and is to be tabled in Parliament in fall 2017.

Ombudsman

Appointed by the board of directors, the NCC ombudsman serves as an independent and confidential resource for the public to solve complaints when all other internal avenues of redress are exhausted. When appropriate, the ombudsman will intervene or investigate with a view to settling a complaint in a fair way, using the simplest, least adversarial process possible. The ombudsman is required to submit an annual report on his or her activities to the board of directors. This annual report is made available to the public on the ombudsman's website.

Organizational Structure

The organizational structure of the NCC illustrates relationships between the board of directors and the executive management group, various committees and the NCC's branches. Within the NCC's organizational structure, the CEO is responsible for setting operational and management objectives, providing direction on implementation strategies, and overseeing day-to-day operations. The CEO is supported by an executive management team that represents the branches of the NCC. The branch executive directors are responsible for ensuring that the corporation's key sectors of activity are implemented and well managed.

Executive Management Committee

Dr. Mark Kristmanson

Chief Executive Officer

Daniel Champagne

Executive Director, Capital Planning

Mark Dehler

General Counsel and Commission Secretary

Catherine Ella

Executive Director, Official Residences of Canada

Michel Houle

Executive Director, Corporate Services,
and Chief Financial Officer

Jayne Hinchliff-Milne

Director, Audit, Research, Evaluation
and Ethics Branch, and Chief Audit Executive

Gary Lacey

Executive Director, Capital Stewardship

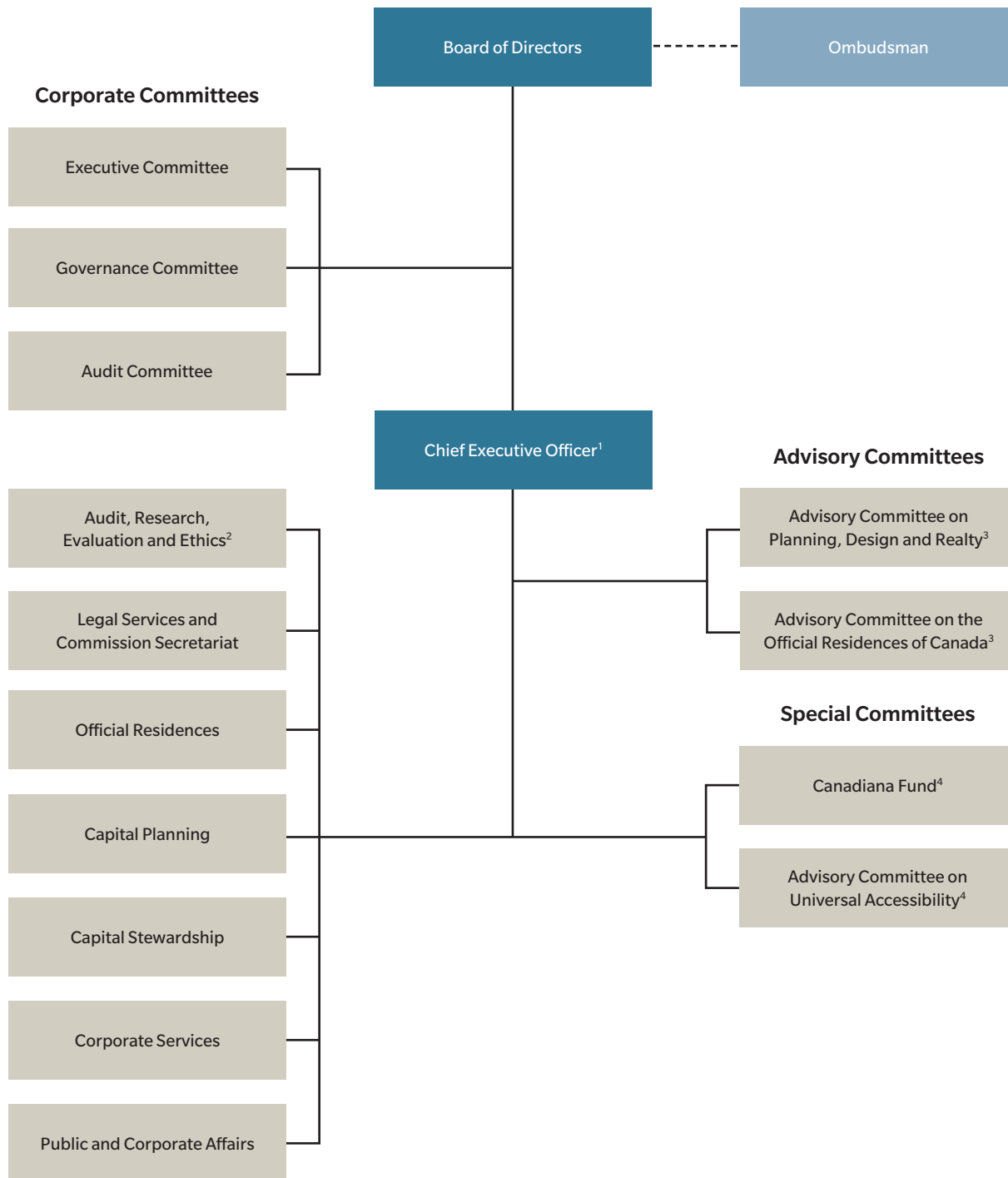
Anne Menard

Chief of Staff to the Chief Executive Officer

Natalie Page

Executive Director, Public and Corporate Affairs

Structure of the National Capital Commission



1. The chief executive officer is also a member of the board of directors.
2. The audit function reports directly to the Audit Committee.
3. Members of the advisory committees are appointed by the board of directors.
4. Members of the special committees are appointed by the chief executive officer.

MANAGEMENT DISCUSSION AND ANALYSIS



Five-Year Key Highlights

For the years ended March 31 (thousands of dollars)

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---------|---------|---------|---------|---------|
| Operating Funding | | | | | |
| Parliamentary appropriations for operating expenditures | 68,467 | 67,712 | 68,781 | 71,839 | 81,576 |
| Operating revenues | 38,746 | 33,200 | 32,804 | 32,318 | 38,590 |
| | 107,213 | 100,912 | 101,585 | 104,157 | 120,166 |
| Cost of Operations | 136,058 | 121,250 | 143,020 | 115,251 | 143,879 |
| Capital Funding | | | | | |
| Parliamentary appropriations for capital expenditures | 22,789 | 22,665 | 23,665 | 27,823 | 27,258 |
| Major Capital Projects | | | | | |
| LeBreton Flats redevelopment | 1,091 | 653 | 2,077 | 3,298 | 3,117 |
| Official residences | 9,804 | 6,102 | 2,744 | 6,156 | 7,703 |
| Real property acquisitions | 8,375 | 2,526 | 822 | 1,035 | 305 |
| Capital Assets | | | | | |
| Land | 305,896 | 299,736 | 292,614 | 281,434 | 282,500 |
| Buildings and infrastructure and leasehold improvements (net of amortization) | 314,835 | 303,297 | 300,068 | 301,672 | 294,856 |
| Investments in capital assets (*) | 37,565 | 26,794 | 22,480 | 29,394 | 35,608 |
| Acquisition & Disposal Fund | 25,476 | 33,775 | 36,197 | 36,896 | 37,616 |

Figures for 2012–2013 reflect revenues, expenses and parliamentary appropriations associated with activities transferred to Canadian Heritage in September 2013. Figures for 2013–2014, 2014–2015 and future years are net of any financial impact from those transferred activities.

* Variations in year-over-year cost of operations are mainly attributable to one-time expenditures, which are further described in the Financial Performance section on page 80 of the present 2016–2017 Annual Report.

* Investments in capital assets excludes non-monetary expenditures

Five-Year Key Operating Highlights

For the years ended March 31

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------------|------|------|------|------|------|
| Number of employees | 444 | 402 | 401 | 402 | 490 |

2016–2017 Operating Environment

As part of its annual strategic planning process, the NCC prepares a horizon scan, which surveys the most significant trends, opportunities and challenges influencing its operations over the coming years.

Government and Politics

The federal government's agenda is focused on growing the middle class, innovation, a clean environment, a strong economy and renewed relations with Indigenous peoples. There has also been an increased emphasis on openness and transparency, and results management and reporting on outcomes across the whole of government. The provincial governments of both Ontario and Quebec continue to prioritize economic growth and job creation, education and skills development, and investment in infrastructure.

Economy

In the past year, there have been significant changes to the overall economic outlook, fiscal and monetary policy, and the real estate market. The low Canadian dollar is expected to lead to an increase in tourism from the United States, which in turn may have an impact on the number of visitors to the National Capital Region and users of NCC assets. The federal government has committed to modest budget deficits over the next four years. Programs and spending increases are focused on infrastructure, public transit, creating jobs for the middle class and a new global skills strategy. Infrastructure spending targeted to provincial and municipal governments could lead to partnership opportunities for the NCC.

Environment

The environment is a key priority for the Government. Climate change, investment in green technologies and infrastructure, protecting fresh water, and a review of Canada's environmental assessment processes are among the Government's policy priorities. As the principal steward of federal lands in the Capital Region, and the region's largest landowner, the NCC holds a position of influence to help ensure the environmental sustainability of the region.

Society

The demographic face of Canada is constantly evolving. The NCC needs to continually evaluate how it can best deliver its programs and services to meet the needs of these changing demographics.

Urban Planning

As the National Capital Region's urban population grows, planning practices are shifting to accommodate a densified and expanding core. To counterbalance this growth, new urban planning priorities are contributing to the creation of healthy cities. A number of greening trends and practices are affecting how cities are planned and developed. Moreover, progress has been made toward quantifying quality of life factors that were not previously measured in standard monetary values. With the increasing importance of infrastructure investment and development in today's economy, the NCC continues to play a vital role in Canada's Capital Region, through its long-term planning and stewardship functions with respect to federal lands, as well as through the federal land use, design and transaction approval process.

Infrastructure

While governments at all levels have increased infrastructure funding in recent years, Canada's aging infrastructure remains at risk. As the owner of a large portfolio of assets, many of national significance, the NCC must ensure that its assets are properly maintained, safe and secure, which in turn requires corporate financial sustainability. Enhancements to the corporation's financial management framework focused last year on addressing the funding gap related to the deferred maintenance and life cycle management of assets.

Social Media

As social media, digital technologies and Internet use continues to grow in numbers and importance, organizations and businesses are being challenged to keep pace and engage followers in new and meaningful ways. This has had an impact on how the NCC delivers its services, how it manages its information, and how it communicates with the general public through social media and digital technologies—for which the NCC is recognized as being at the leading edge of federal Crown corporations. The NCC will continue its efforts through various social media, such as Facebook, Twitter and Periscope, to increase its audience reach, and further advance its engagement, openness and transparency.

Security

Security has become a growing concern for Canada. As the owner of a large portfolio of assets, many of them of national significance, the NCC must ensure that its assets and work spaces are properly maintained, safe and secure. Ensuring that business continuity and disaster recovery plans are in place and up-to-date, and maintaining and managing up-to-date and relevant information technology (IT) security infrastructure are part of the NCC's risk mitigation strategies.

Capability to Deliver Results

National Capital Commission Lands and Assets

As the largest landowner in Canada's Capital Region and the steward of a diverse real property portfolio, the NCC is the guardian of many nationally significant lands and public assets. These lands, as well as natural and built assets, serve as stages for national events and celebrations, and as places to showcase and celebrate Canadian history, as well as being key destinations that residents and visitors to the Capital Region can enjoy year-round.

Assets Under the NCC's Stewardship

- 537 square kilometres of lands in the Capital Region under direct ownership or stewardship
- over 1,700 properties, including 1,000 buildings, which include the six official residences in the Capital Region
- over 400 kilometres of multi-use pathways and parkways
- 145 pedestrian and vehicle bridges
- 15 urban parks and green spaces
- 125 interpretive panels and commemorative plaques
- 65 national commemorative sites and works of public art

Employees

Employees of the NCC undertake the role of shaping, preserving and promoting the Capital Region with a strong commitment to excellence and a high degree of professionalism and expertise. NCC employees possess a breadth of knowledge and experience in a wide range of professions. They include architects, engineers, real estate professionals, urban planners, horticulturists, biologists, grounds technicians and gardeners. Together, they work as caretakers, thinkers and advocates of the Capital Region.

Partners and Sponsors

The NCC relies on the support of partners and sponsors for the successful delivery of many of its programs, events and activities. The NCC also benefits from sponsors and partners in terms of access to their capabilities and expertise.

Volunteers

Volunteers are an important asset for the NCC, not only to support the successful delivery of its programs and services, but also to contribute to making Canada's Capital Region a source of national pride and significance. Volunteers donate their time to make it possible for residents and visitors to ski and hike in Gatineau Park, discover the Mackenzie King Estate, cycle along car-free parkways during NOKIA Sunday Bikedays, skate on the Rideau Canal Skateway and admire the historic Maplelawn Garden.

Engagement and Support

To build a signature capital, renowned for its green space as well as its heritage space, the NCC needs to ensure that it engages Canadians in constructive dialogue. It also strives to be open and transparent. This fosters a climate of trust, which in turn, builds good relationships and supportive partnerships between the corporation and local municipalities, elected officials, partners and sponsors, residents, stakeholders, and all Canadians.

Innovation, Adaptability and Responsiveness

The NCC needs to innovate to be able to adapt and respond to a constantly changing environment. This ensures that the corporation's ways of doing business remain efficient, responsive and financially responsible. Central to the NCC's approach to innovation is its commitment to engagement, collaboration and being a value-added partner. By engaging with the academic community, residents, world-renowned professionals, stakeholders, and the private and public sectors, the NCC is able to adopt a broader perspective and be more open to imaginative and innovative projects befitting a capital city.

Integrated Risk Management

The NCC uses an integrated risk management framework to identify, manage and mitigate risks. The NCC applies this framework in decision making, project management and planning. Risk management is also incorporated into the corporation's planning and reporting cycle through a risk profile exercise, which helps to identify the key corporate risks and corresponding mitigation measures for the planning period. Key corporate risks are monitored throughout the year, and their trends and the efficacy of mitigation measures are reported to the board of directors each quarter.

The key corporate risks identified for 2016–2017 were capacity, reputation and influence, and safety and security.

Capacity

Capacity risks relate to the NCC's ability to maintain sufficient levels of both financial and human resources to be resilient in a changing business environment, effectively deliver its activities, and manage its assets. To mitigate capacity risks, the NCC has optimized business processes and developed human resource strategies to attract, manage and retain a talented workforce. Initiatives recently undertaken include the implementation of a new financial and asset management system for the organization, which has resulted in streamlined processes and improved accountabilities. In addition, resources have been made available to employees through the Canada School of Public Service and the Employee and Family Assistance Program. The NCC has begun to engage with Canadian Heritage and central agencies to address risks associated with financial capacity.

Reputation and Influence

Reputation and influence risks relate to the NCC's ability to maintain a positive reputation and to influence partners, stakeholders, the public and elected officials. To protect its reputation and influence, the organization engages with stakeholders, partners and the public, and builds awareness of the value that the NCC adds to the Capital Region. In 2016–2017, the NCC continued to implement its three-year Integrated Communications Plan, which included a proactive approach to communications, as well as measures to increase online presence through social media. The NCC also established a new corporate brand. The NCC was involved in highly visible projects in the National Capital Region, such as the Mackenzie Avenue cycling lanes, the City of Ottawa's LRT system, the redevelopment of LeBreton Flats, and efforts to promote tourism in and around Gatineau Park.

Safety and Security

Safety and security risks relate to the NCC's ability to ensure that its lands and assets, the users of these lands and assets, as well as operations and employees remain safe and secure. Risk response measures consist of regularly inspecting lands and assets, as well as ensuring that security plans, policies and procedures are in place, including business continuity and disaster recovery plans. Over 2,800 assets were inspected over the past three years, highlighting the need for more work and funds to ensure that assets remain safe and secure for public use. In support of the corporation's capacity for disaster resilience and recovery, the NCC started implementation of a mobile technology strategy, and applied preventative security measures and leading practices in IT maintenance.

Performance Against Priorities

The following summarizes the NCC's performance against its planned objectives included in the Summary of the 2016–2017 to 2020–2021 Corporate Plan.

The NCC successfully met or partially met 89 percent of its 2016–2017 key expected outputs and commitments, along with a multitude of other complex and emerging priorities.

Performance Rating Guide

The NCC's performance rating guide is used to measure the achievement or progress against targets set out in the Summary of the 2016–2017 to 2020–2021 Corporate Plan. Performance evaluation at year-end is based on the four categories described below.

| Rating | Definition | Corporate Plan Commitments at 2016–2017 Year-End |
|----------------------|---|--|
| Target met | Used where the branch exceeded the target, or achieved it within 5 percent for the period in review. | 20 |
| Target partially met | Used where the branch achieved 75 percent to 95 percent of the established target for the period in review. | 4 |
| Target not met | Used where the branch achieved less than 75 percent of the established target for the period in review. | 3 |
| Not applicable | Used for projects where target achievement can be determined only upon completion or in cases where targets are not applicable. | 5 |

Priority 1

Make LeBreton Flats and the islands a signature destination of national significance

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|--|---------------------|----------------------|
| LeBreton Flats Redevelopment Complete the solicitation process, and negotiate contract terms and conditions with the winning proponent. | By end of 2016–2017 | Target met |
| Pindigen Park Complete all site work and interpretive elements. | By fall of 2016 | Target met |
| Richmond Landing and Bronson Pulp Mill Ruins Improvements Complete all work to finalize the site designs for Richmond Landing and the Bronson Pulp Mill ruins. | By end of 2016–2017 | Target partially met |
| Substantially complete planned improvements at Richmond Landing and the Bronson Pulp Mill ruins. | By end of 2018–2019 | Not applicable |

Located on the western edge of the Capital's core, in the shadow of Parliament Hill, LeBreton Flats and the surrounding Chaudières, Albert and Victoria islands occupy one of the most beautiful waterfronts in Canada's Capital Region. To realize the potential of the area, the NCC aims to transform and regenerate LeBreton Flats and the islands.

In 2016–2017, the NCC continued the solicitation process and comprehensive review of two proposals to redevelop LeBreton Flats. In November 2016, RendezVous LeBreton Group was approved by the Board of Directors as the preferred proponent, and a terms-of-engagement agreement was signed. This agreement will guide negotiations and prioritize fundamental issues for discussion. The NCC and RendezVous LeBreton Group are currently working on a memorandum of understanding for the negotiation of business terms. Discussions are also under way with the City of Ottawa, as well as with the Delegation of Algonquin Chiefs.

The Pindigen Park improvements were substantially completed, providing horticultural designs, interpretive elements and public art to improve this gateway to the Capital's core, and catalyze the development of LeBreton Flats. This project involved collaboration with Canadian Heritage, the Algonquins of Ontario and the public. Pathways and plantings are now in place, and interpretive elements were installed by Canadian Heritage, only slightly behind schedule.

Progress was made toward improving connectivity and enhancing the public experience along the Ottawa River shorelines and islands, through phased projects. Final designs for the ceremonial landing and dock at Richmond Landing were completed in the second quarter, with construction of a universally accessible pathway, ceremonial landing and dock under way. Construction of the Navy Wake has not yet begun. The NCC is assessing the potential impacts of the spring flooding on site conditions and the project schedule. Designs have been initiated for pedestrian bridges at this location, and are intended for future completion.

For improvements at the Bronson Pulp Mill ruins, the NCC completed site designs for the dam, Amelia Island landing and Victoria Island pathways. These designs were presented to the Advisory Committee on Planning, Design and Realty in May 2017. Improvements are planned for completion in 2018–2019.

In addition to these key projects, discussions have continued with Indigenous stakeholders and the developer of the Zibi project. Rights were also secured to build a new public lookout adjacent to the Chaudières Falls. This is an unprecedented agreement, which will provide public access to the falls, something that has not existed in decades. It will improve connections between the falls, and existing and future paths and parks on the islands and shores of the Ottawa River. The design is completed, related agreements with Energy Ottawa are under way, and the plaza will be completed in August 2017.

Priority 2

Offer public access and new connections for Canadians to discover the shorelines and waterways

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|--|---------------------|----------------------|
| Plans for the Shorelines and Waterways Complete the plan for a linear park along the shorelines next to the Sir John A. Macdonald Parkway. | By end of 2016–2017 | Target partially met |
| Complete the plan for the linear park along the north shore of the Ottawa River between Brewery Creek and Leamy Lake. | By end of 2016–2017 | Target partially met |

The Ottawa, Gatineau and Rideau rivers, along with the historic Rideau Canal, represent some of the Capital Region's greatest landmarks. The NCC's aim is to allow public access, as well as promote discovery of and connection with the Capital's shorelines and waterways.

In pursuing this priority, the NCC is developing plans for linear parks along the Sir John A. Macdonald Parkway and the north shore of the Ottawa River in the Capital's core area. Delays have been encountered, however, as resources were shifted to competing priorities, including the review of potential federal sites for The Ottawa Hospital. The NCC has met regularly with stakeholders and the public about the project, although final consultations for the entire linear park and the north shore of the Ottawa River will take place in the first quarter of 2017–2018, with board approval to be sought for both plans in the third quarter of 2017–2018.

The NCC acquired the convent of the Congrégation des Servantes de Jésus-Marie. The addition of this land will provide continuous public access to the north shore of the Ottawa River between the Portage Bridge and Jacques-Cartier Park North. A leaseback was negotiated, enabling the congregation to undertake a phased transition to another location. With respect to the Rideau Canal, the NCC negotiated with Parks Canada to establish boat launch sites, and collaborated with the City of Ottawa to provide pedestrian crossings near the Bank Street Bridge and at Commissioners Park.

Priority 3

Modernize the NCC's planning framework, and renew the long-term plan for Gatineau Park

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|---|---------------------|------------------|
| Plan for Canada's Capital Seek endorsement by the NCC Board of Directors and the Government for the Plan for Canada's Capital, with implementation beginning in 2017. | By end of 2016–2017 | Target met |
| Gatineau Park Master Plan Begin the review of the 2005 Gatineau Park Master Plan, and prepare for public consultations. | By end of 2016–2017 | Target met |
| Finalize the Gatineau Park Master Plan. | By end of 2020–2021 | Not applicable |

NCC plans have shaped the Capital Region, contributing to its signature natural and built characteristics. Ensuring that the planning framework and tools are modern and innovative is important in achieving the NCC's vision for the Capital.

Finalization of the Plan for Canada's Capital, a 50-year vision and plan, was the cornerstone of this priority. Following extensive public and stakeholder consultations, the Plan for Canada's Capital, 2017–2067, received Board approval in early April 2017. The NCC refined ideas received from the public into 17 milestone projects, outlined in the plan. A special exhibit of the plan will be presented by the NCC and The Royal Canadian Geographical Society, from the end of June through September 2017, at 50 Sussex Drive, in Ottawa. Dates are also being confirmed to engage Canadians and communicate the elements of the plan in cities across the country.

After some early delays due to other priorities in the first half of the fiscal year, the NCC began an assessment of the existing Gatineau Park Master Plan. A consultant was hired to assess the plan, and will conduct consultations with NCC personnel and external stakeholders, beginning in the first quarter of 2017–2018. Consultations with user groups have already been held in 2016–2017, regarding actions and objectives for sustainable trail management within the Park.

Priority 4

Create legacies for Canada's sesquicentennial in 2017

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|---|---|------------------|
| Capital Illumination Plan Complete the Capital Illumination Plan, and work with partners to implement pilot projects from the plan in 2017. | By end of 2016–2017 | Target not met |
| Confederation Pavilions Open 7 Clarence Street as an international pavilion as part of the NCC's Confederation Pavilions for 2017. | By end of 2016–2017 | Target not met |
| National Holocaust Monument Substantially complete construction of the National Holocaust Monument. | By end of 2016–2017 Revised: August 2017 | Not applicable |
| Unveil the National Holocaust Monument to the public. | April 2017 Revised: September 2017 | Not applicable |

As Canada celebrates its 150th anniversary in 2017, Canada's Capital Region is a central hub of celebration and commemoration. Much of the 2016–2017 fiscal year was dedicated to preparations for this sesquicentennial event, launching long-term plans, creating lasting legacies by transforming assets, undertaking beautification initiatives with collaborators and facilitating partner initiatives through the federal approval process. With strict timelines related to the 2017 celebrations, the creativeness and hard work of NCC staff enabled the organization to overcome challenges and meet expectations.

As a means to showcase significant buildings and monuments in the Capital Region, the NCC is creating a strategic plan for lighting. The plan will be implemented through partnerships and collaboration. The 10-year Capital Illumination Plan aims to enrich the nighttime environment in the heart of the Capital, as well as the experiences of visitors. After having delivered the guiding vision and principles for the plan, and engaging with federal and municipal partners, including the City of Ottawa and Ville de Gatineau, in early 2016–2017, resources were shifted to other priorities. The NCC also determined that further stakeholder consultations on the plan would be necessary. A draft of the Capital Illumination Plan, initially intended for the third quarter of 2016–2017, will now be delivered for the Board's consideration in the second quarter of 2017–2018.

The NCC identified 10 of its most distinctive and underutilized properties, and sought out partnerships with public, private and non-profit groups to use these buildings as Confederation Pavilions. The heritage building located at 7 Clarence Street was further identified as the location for the International Pavilion, with agreements signed with 10 diplomatic missions.

As the NCC sought to replace the aging building at 7 Clarence Street with a new community-approved, contemporary design, additional unforeseen work was required on adjacent buildings. This setback was creatively mitigated by retrofitting 50 Sussex Drive to provide a very suitable alternative venue to host the embassies of the United States of America, Mongolia, Israel and Switzerland. By the end of 2016–2017, the International Pavilion at 50 Sussex had received over 3,500 visitors.

The NCC also rehabilitated the Dairy Building at Rideau Hall to create the Winter Pavilion, enabling the public to use and enjoy this iconic site and skating rink. From the time of the unveiling on January 28, 2017, attended by the Governor General of Canada, until the end of the winter season, there were 4,599 visits to the Winter Pavilion.

The Pioneer Pavilion at the Log Farm, opened on March 4, 2017, and received 6,000 visits up to and including the first weekend in April. The Ecology and Urban Agriculture Pavilion at the Moore Farm opened on March 21, 2017, offering a special exhibition on the history and present-day reality of agriculture in the region. The Modern Architecture Pavilion has been established at the Strutt House, in collaboration with the Strutt Foundation; visits can be booked between April 1 and November 30, 2017. In addition, the Gatineau Park Visitor Centre will host a special exhibition on the Strutt House between May 1 and October 31, 2017. Thousands of Confederation Pavilion passports have been handed out, providing a way for Canadians to document their visits to the pavilions in 2017.

The NCC successfully negotiated a lease at the O'Brien House which, as the Canadiana Pavilion, will feature treasures from the NCC's Crown Collection. There have been some challenges with this project, due to concerns regarding endangered species. The NCC has worked with Environment Canada to identify mitigation measures to move the project ahead. The project has been tendered, work has been initiated and it is expected to be completed in fall 2017.

This year, the NCC has successfully provided technical expertise and project management for construction of the National Holocaust Monument. A site dedication ceremony was held on September 21, 2016, attended by the Prime Minister of Canada, the Minister of Canadian Heritage, other elected officials and the NCC's Chief Executive Officer. The monument will be completed in August 2017, and a formal inauguration will proceed according to the government's revised project timeline in September 2017.

Priority 5

Be a value-added partner in Canada's Capital Region

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|--|---------------------|------------------|
| Proactive Communications, Engagement and Outreach Implement the three-year Integrated Communications Plan. | By end of 2016–2017 | Target met |
| Launch a renewed corporate image and website. | By end of 2016–2017 | Target met |
| Mackenzie Avenue Cycling Lanes Support the Embassy of the United States of America and the City of Ottawa in improving the visual character of Mackenzie Avenue, and providing improved and protected cycling conditions, through the construction of dedicated cycling lanes and security bollards on Mackenzie Avenue. | By end of 2016–2017 | Target met |

Implementation of the NCC's three-year Integrated Communications Plan continued in 2016–2017, with a specific focus on three key pillars: content strategy and management of web and social media communications, active involvement of communications advisors on projects from inception, and reporting and analysis of communications activity. Activities framed by the plan have included, for instance, the development of media-specific and project-specific engagement strategies (e.g. Capital Illumination Plan, Plan for Canada's Capital, site selection for The Ottawa Hospital, Natural Capital Report); communications for Canada 150; Capital Urbanism Lab events.

This was a noteworthy year for consultation and engagement, as more than 20,000 Canadians provided their input and ideas to the NCC. Whether it is for a major development project, such as LeBreton Flats, or existing assets such as Gatineau Park trails, public contributions to NCC projects in the Capital Region are at an all-time high.

The NCC's social media presence has grown substantially, with approximately 117,000 people engaging with the NCC on Facebook, Twitter, Instagram, LinkedIn and YouTube. The NCC connected with stakeholders and the public through eight public consultations; nine online consultations; 37 significant stakeholder and community meetings; and 10 Capital Urbanism Lab lecture series events.

The NCC developed a new corporate image and website, including a new logo and branding. Information sessions, new tools and templates were provided to employees in early 2017. Signage for lands and assets will be updated as part of asset life cycle replacement, and will reflect the new corporate image. The new website was publicly launched in May 2017.

With the City of Ottawa and the Embassy of the United States of America, the NCC continued to support improved mobility on Confederation Boulevard through the construction of dedicated cycling lanes on Mackenzie Avenue. The NCC collaborated in this city-led project, in the contract-award process, and supported various stakeholders to improve the visual character of the site and provide protected cycling conditions. The project was substantially completed in the third quarter of 2016–2017, with remaining landscaping work to be completed in April 2017. The improvements will be a legacy of Canada's 150th anniversary celebrations.

The NCC also added value in the Capital Region in other ways in 2016–2017. A project to maintain a winter trail along the Sir John A. Macdonald Parkway ended its first season successfully, and a three-year agreement has been signed with Dovercourt Recreation Association to sustain the initiative.

A five-year maintenance agreement was renewed with the Ville de Gatineau, thereby securing efficient maintenance of key urban parks, while providing mutual operational savings. The NCC also teamed up with the Rideau Valley Conservation Authority and the Great Lakes Guardian Community Fund to enhance and double the size of the existing wetland in the headwaters of Black Rapids Creek, from 3,500 to 7,000 square metres. These enhancements will allow for improved water quality within the watershed, more plant diversity, and increased habitat for reptiles and amphibians.

Furthermore, at the request of the Minister of Canadian Heritage, the Honourable Mélanie Joly, from June to November 2016, the NCC reviewed all potential federal sites for The Ottawa Hospital's new Civic Campus. Employing a rigorous, evidence-based process, complemented by public engagement, the NCC assessed 12 potential federal sites, guided by site selection criteria that were informed by public and stakeholder feedback. The criteria included considerations of functional and operational excellence, connectivity to transportation, and Capital interests.

More than 8,000 people provided their input on the selection criteria and potential sites. Additionally, the NCC engaged a range of key stakeholders, including Heritage Ottawa, Friends of the Central Experimental Farm, the City of Ottawa, the Champlain Local Health Integration Network, the Centre intégré de santé et de services sociaux de l'Outaouais, Agriculture and Agri-Food Canada, and Public Services and Procurement Canada.

Public and stakeholder feedback was analyzed and reported to the site evaluation committee to inform the committee's recommendation to the NCC Board. In November 2016, the Board recommended Tunney's Pasture to the Minister of Canadian Heritage as the preferred site. On December 2, 2016, the Minister requested that federal officials make the Sir John Carling site available as the future location of the new Civic Campus.

Priority 6a

Demonstrate corporate excellence such that the NCC is recognized as an exemplary federal Crown corporation

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|--|---------------------|------------------|
| Business Optimization Implement new processes and tools developed as part of the business optimization exercise. | By end of 2016–2017 | Target met |
| Financial Management Framework Enhance the NCC's financial management framework to ensure the continued alignment of resources, and address any issues emerging with the corporation's mandate and key deliverables. | By end of 2016–2017 | Target met |
| Human Resource Management Framework Implement an employee engagement strategy. | By end of 2016–2017 | Target met |
| Implement a corporate talent management program. | By end of 2016–2017 | Target met |
| Performance Measurement Framework Refine performance data for a more robust performance measurement framework, including client-service delivery targets. | By end of 2016–2017 | Target met |
| Mobile Technology Strategy Initiate the implementation of a strategy to phase in the use of IT infrastructure and tools for a mobile work environment. | By end of 2016–2017 | Target met |
| Client- and Citizen-Focused Relationship Management Enhance the relationship management approach, addressing issues promptly, leading to long-term positive relationships. | By end of 2016–2017 | Not applicable |

Being an exemplary federal Crown corporation means striving to meet the highest standards of efficiency, economy, effectiveness and innovation in all that the NCC does. This is achieved through the implementation of new processes and tools, and a strong commitment to employees and clients.

In 2016–2017, the NCC successfully implemented the Business Optimization Initiative, to replace its outdated financial system. The initiative was a two-year project, with a comprehensive review of the NCC's business processes taking place in 2015–2016. The first phase, a financial module, has increased the use of paperless, automated processes, as well as the standardization of financial and management reporting. The second phase allowed for integration between the asset management system and the financial system, while strengthening internal empowerment and accountability. Employee training has been extensive, allowing for a timely, successful transition.

Enhancements to the NCC's financial management framework in 2016–2017 focused on addressing the funding gap related to deferred maintenance and life cycle management of assets. Forecasted deferred maintenance and life cycle costs for the NCC's capital asset base are being completed to determine potential funding gaps. The NCC will continue to work with the government to ensure that, on an ongoing basis, the NCC has sufficient funding to be able to make adequate annual investments to maintain its assets.

As part of the Human Resource Management Framework, the NCC developed a number of strategies to enhance human resource planning, and retain a talented workforce. The Employee Engagement Strategy, including the Mental Health Strategy, was developed and received Executive Management Committee approval in January 2017. In the context of the Corporate Talent Management Program, the NCC conducted a succession mapping exercise in early October 2016. The Executive Management Committee approved strategies and action plans for corporate talent management and succession in January 2017. The succession plan was provided for information to the Board of Directors in April 2017.

The NCC has continued to incrementally improve its performance measurement framework, with the aim of having performance indicators that communicate the health of various aspects of the organization (e.g. financial resources, human resources, condition of assets). In 2016–2017, enhanced measures for federal land use, design and transaction approvals were incorporated, as well as the use of longer-term trends for reporting performance. The NCC will continue to improve its performance measurement framework in 2017–2018.

With the goal of enhancing information technology and providing tools to employees for mobile work, the NCC substantially advanced its Mobile Technology Strategy. As part of the strategy, a laptop deployment initiative is being phased in, whereby laptops are issued to new employees, as aligned with the life cycle requirements of existing computer technology. The NCC expects to be approximately 60 percent completed in the migration to laptops by the end of 2017–2018. The NCC also began migration to enable some users to access cloud-based services. The NCC headquarters at 40 Elgin Street also now has wireless network connectivity.

Following an analysis conducted by an external consultant, the NCC determined that the proposed enhancements to the Client- and Citizen-Focused Relationship Management Strategy and associated system would have minimal benefit to the organization. Given this finding, the enhancements will not be undertaken.

Priority 6b

Demonstrate corporate excellence such that the NCC is recognized as an exemplary steward of federal lands

| Key Expected Output | 2016–2017 Target | 2016–2017 Actual |
|---|---------------------|------------------|
| National Leasing Portfolio Policy Implement a national leasing policy to optimize the NCC's leased assets, and become a premier landlord in the Capital Region. | By end of 2016–2017 | Target met |
| NCC Environmental Strategy Commence the renewal of the NCC's corporate environmental strategy. | By end of 2016–2017 | Target met |
| Decontamination of NCC Lands Complete additional site assessments and remediation projects on NCC lands. | By end of 2016–2017 | Target met |
| Event and Festival Guidelines Implement new event and festival guidelines, including an industry standard rent approach for events held on NCC lands. | By end of 2018–2019 | Target met |
| Gatineau Park and the Greenbelt Rehabilitate visitor amenities to increase site visitation and use in the Pontiac sector of Gatineau Park. | By end of 2016–2017 | Target met |
| Collaborate with the municipalities surrounding Gatineau Park to offer new programming that will attract visitors to their respective sectors during Fall Rhapsody. | By end of 2016–2017 | Target met |
| Install new signage to better identify universally accessible trails in the Greenbelt. | By end of 2016–2017 | Target not met |

To be an exemplary steward, the NCC pursues a series of initiatives to ensure that its portfolio of lands and assets is adequately managed, maintained, rehabilitated and protected. The goal is to ensure that these lands contribute to long-term sustainability, and that they are enjoyable for generations.

Optimizing the NCC's leased assets and becoming a premier landlord in the Capital Region is an important part of the NCC's stewardship role. In building the National Leasing Portfolio Policy, the complete Real Estate Management Framework was presented to the Executive Management Committee in March 2017. This will provide a strategic framework for future realty activities and policy, as well as enable process streamlining, and enhanced efficiencies, decision making and customer service.

Policy development within this framework has advanced, including a Customer Service Strategy, a Barn Strategy, a Sustainable Agriculture Strategy, Investment and Demolition Guidelines, Environmental Initiatives, and an Acquisition Strategy for Recreational Portfolio. The Barn Strategy received unanimous support from the Board of Directors in fall 2016, for its efforts to preserve Canada's agricultural and rural legacy.

Strategies have been effective: vacancy rates with respect to the NCC's leasing portfolio are well below acceptable target levels for all types of leases; and revenues are on target, despite major construction on a number of leased projects in the core of the Capital. The NCC finalized key leases in 2016–2017, including a historic lease with The Royal Canadian Geographical Society at 50 Sussex Drive. The society's mandate of "making Canada better known to Canadians and to the world" reflects the NCC's objectives for this nationally significant property, by enabling accessibility to the public and contributing to the animation and vibrancy of the Capital. This location will enable the society to become one of three iconic geographical society sites in the world.

In January 2017, the NCC moved the management of its residential and agricultural leasing portfolios internally, from previously being managed by a third-party provider. Through proactive tenant engagement and various communiqués, the transition was seamless, with no impact on tenants. Through the real estate management Customer Service Strategy and new business model, the NCC has already improved responsiveness and follow-up to tenant inquiries, enhanced the monitoring and control of projects and contractors, created economies of scale, and gained a better understanding of tenant needs and challenges.

To support ecological sustainability, the NCC is renewing its environmental strategy. An evaluation of the current strategy was completed in 2016–2017. The renewal of the strategy was launched with internal consultations involving the core team of internal stakeholders, as well as two days of all-staff consultations. Through fall 2016 strategy sessions, the Board of Directors provided guidance on the role that the NCC should take in implementing the strategy. Research on the strategies of peer organizations was completed, and a progress report was drafted.

The NCC completed the assessment of 15 sites and undertook ongoing remediation activities at 10 sites, including four sites funded by the 2016 Federal Infrastructure Initiative. In 2016–2017, the NCC made 99 project decisions under Section 67 of the *Canadian Environmental Assessment Act, 2012*. This compares with 111 project decisions made in 2015–2016. In both 2015–2016 and 2016–2017, there were no projects that required a determination from the Governor-in-Council.

Following extensive consultations with stakeholders, a new schedule to guide fees for events and festivals on NCC lands was approved. The new schedule draws on the industry standard market approach, and brings additional equity into the system. The implementation of the new schedule will begin in 2017–2018.

In 2016–2017, the NCC implemented the rehabilitation of Gatineau Park amenities, including those in the Pontiac sector. Trails at the Luskville Falls were rehabilitated, and work was initiated for a new potable water line at Philippe Lake. The Board was given an opportunity to tour the Philippe Lake campground in September 2016 to observe Park amenities first-hand. Further background information has been prepared, and various potential approaches have been developed.

As part of Fall Rhapsody 2016, agreements were signed with Chelsea and Pontiac for the delivery of programs to support regional tourism initiatives. Phase 2 of the Fall Rhapsody shuttle service was a great success, with an estimated 12,000 passengers. Two free routes were made available to the public: one departing from Camp Fortune with several stops, including Champlain Lookout; and the second, offered for the first time, providing service between downtown Gatineau and Gatineau Park. This initiative increased public access to the Park, while mitigating traffic and parking concerns.

Meetings were held with Pontiac, and regional and provincial snowmobile associations working toward alternative snowmobile routes in Gatineau Park. A winter festival for new Canadians was also held in the Park in March 2017. The NCC was fully booked for an increased number of school groups in nature interpretation for winter and spring 2017.

Both Gatineau Park summer and winter seasons in 2016–2017 were highly successful. This can be attributed in part to favourable summer and winter conditions, as well as to improved management practices and oversight. There were 122,252 visitors to Gatineau Park (at 33 Scott Road) and 51,549 visitors to the Mackenzie King Estate in 2016–2017.

The initiative to install new signage for universally accessible trails in the Greenbelt has not advanced due to insufficient funds to address this and other priorities competing for allocations in the Multi-Year Capital Program. This remains a priority, and new signage, including that for universally accessible trails, is being installed as resources permit. Plans for new signage moving forward will be integrated with the implementation of the NCC's new corporate image and brand.

2016–2017 Performance Measurement Framework

In 2016–2017, the NCC established a series of performance objectives from Phase 1 of its performance measurement framework, completed in 2015–2016. These objectives represented a subset of indicators identified in the framework. Performance objectives were to be measured in four categories: real property leasing, project management, engagement and outreach, and employment equity.

The table below presents performance in 2016–2017 against these targets, along with historical data from 2015–2016 and 2014–2015.

| Measures | Target | | Results | | |
|-------------------------------|-----------------|-------|-----------|----------------|----------------|
| Real Property Leasing | Vacancy Rate | | 2014–2015 | 2015–2016 | 2016–2017 |
| Residential | 6% | | 4.5% | 4.2% | 3.0% |
| Commercial | 4% | | 3.3% | 2.5% | 2.6% |
| Agricultural | 6% | | 10.5% | 8.0% | 4.3% |
| Real Property Leasing | Revenue | | 2014–2015 | 2015–2016 | 2016–2017 |
| Residential | \$2.9 million* | | N/A | \$2.9 million | \$3.1 million |
| Commercial | \$14.1 million* | | N/A | \$13.8 million | \$13.7 million |
| Agricultural | \$1.0 million* | | N/A | \$1.0 million | \$1.2 million |
| Project Management | Project Status | | 2014–2015 | 2015–2016 | 2016–2017 |
| Planned projects complete | 90% or more | | N/A | 67% | 97% |
| Unplanned projects | N/A | | N/A | 6 | 20 |
| Engagement and Outreach | Engagement | | 2014–2015 | 2015–2016 | 2016–2017 |
| Social media engagement | 20% increase | | N/A | N/A | 105% |
| Social media followership | 20% increase | | N/A | 32% | 38% |
| Public consultations | 90% complete | | N/A | 100% | 100% |
| Contact satisfaction** | 80% or more | | 90% | 89% | 90% |
| Employment Equity | Federal | NCC | 2014–2015 | 2015–2016 | 2016–2017 |
| Women | 48% | 50% | 50.5% | 50.2% | 51.0% |
| Aboriginal persons | 2% | 2% | 3.7% | 3.9% | 3.1% |
| Persons with disabilities | 4% | 4% | 5.4% | 4.7% | 4.2% |
| Members of a visible minority | 22% | 10%** | 6.8% | 7.6% | 8.2% |

* These values exclude property taxes, which were included in the 2016–2017 to 2020–2021 Corporate Plan targets.

** These values are based on general satisfaction ratings from the NCC contact survey.

*** This is an interim target for 2016–2017. The NCC's objective is to meet federal government guidance by 2020–2021.

Financial review

NCC's funding for operating expenditures in 2016-2017 totalled \$107.2 million, an increase of \$6.3 million or 6 percent from \$100.9 million recorded in 2015-2016 due primarily to increased recoveries and contributions included in other revenues. Parliamentary appropriations for operating and capital expenditures remained stable. Operating expenditures increased in 2016-2017, primarily as a result of non-recurring items such as a \$4.6 million change in the estimate for the sick leave provision included in salaries and employee benefits, and a \$4.0 million termination fee related to the renegotiated and extended headquarters occupancy lease.

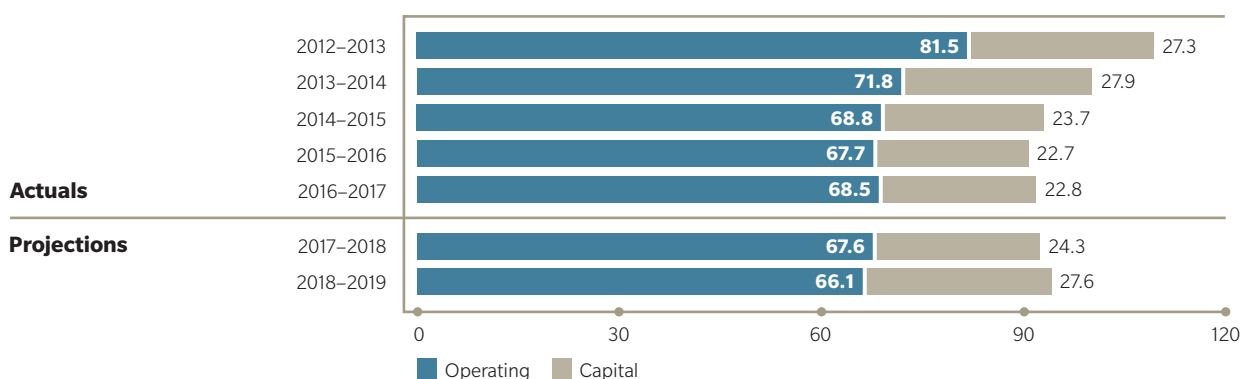
Parliamentary Appropriations

In 2016-2017, the NCC was granted a total of \$91.3 million in parliamentary appropriations for operating and capital expenditures. This represented a net increase of \$0.9 million from \$90.4 million in 2015-2016 due primarily to additional funding of \$2.7 million received for the National Holocaust Monument, which was partially offset by reductions of \$0.5 million for the reimbursement of eligible salary expenditures and \$0.5 million of funding under the Federal Contaminated Sites Action Plan (FCSAP), in accordance with the funding schedule. The prior year included temporary annual reimbursement of accommodation appropriations of \$0.9 million received from Canadian Heritage.

Table 1: Parliamentary Appropriations, 2015-2016 to 2018-2019 (in thousands of dollars)

| | Actuals | | | Projections | |
|-----------------------------|---------------|---------------|------------|---------------|---------------|
| | 2015-2016 | 2016-2017 | Variance | 2017-2018 | 2018-2019 |
| Operating | 70,725 | 67,045 | (3,680) | 67,591 | 66,133 |
| Supplementary - Operating | (3,013) | 1,422 | 4,435 | – | – |
| Sub-total | 67,712 | 68,467 | 755 | 67,591 | 66,133 |
| Capital | 23,665 | 22,380 | (1,285) | 24,305 | 27,647 |
| Supplementary - Capital | (1,000) | 409 | 1,409 | – | – |
| Sub-total | 22,665 | 22,789 | 124 | 24,305 | 27,647 |
| Total appropriations | 90,377 | 91,256 | 879 | 91,896 | 93,780 |

Chart 1: Parliamentary Appropriations, 2012-2013 to 2018-2019 (in millions of dollars)



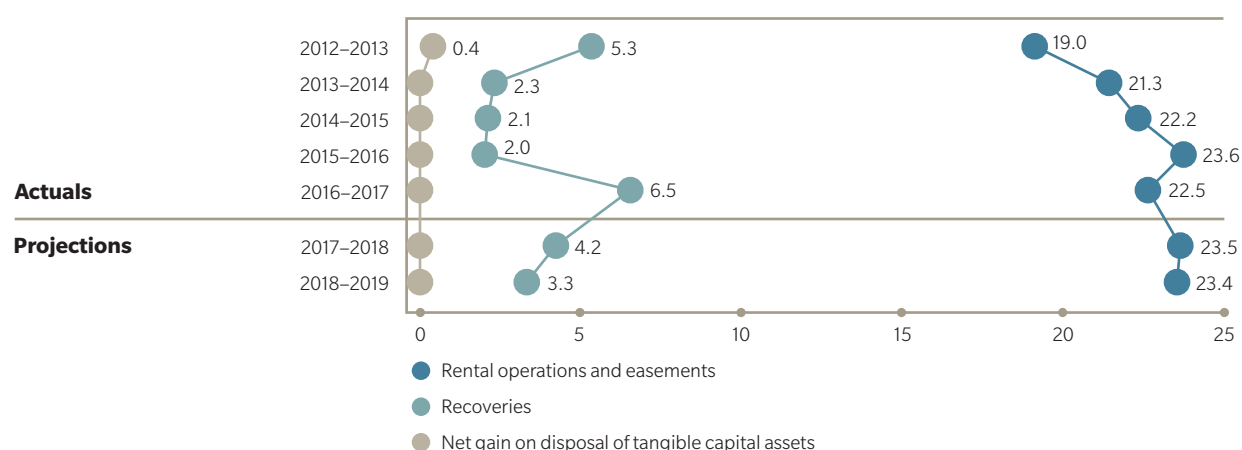
Figures for 2012-2013 reflect parliamentary appropriations associated with activities transferred to Canadian Heritage in September 2013. Figures for 2013-2014, 2014-2015 and future years are net of any financial impact from those transferred activities.

Revenues

The NCC generated \$38.7 million in operating revenues in 2016–2017, an increase of \$5.5 million or 17 percent from \$33.2 million in 2015–2016, due mainly to an increase in recoveries of \$4.5 million, related to the National Holocaust Monument and the rehabilitation and extension of the Chauffeur’s Garage at Rideau Hall. The increase in other revenues is mainly attributable to contributions of \$2.3 million towards the Rideau Hall Forecourt and Western Light Rail Train projects. User access fees increased by \$0.4 million as a result of favorable conditions for winter activities in Gatineau Park, while a decrease in rental and easement revenues of \$1.1 million, reflected the reduced need for easements by the City of Ottawa for projects such as the Light Rail Train and the combined sewage storage tunnel. Interest, monetary sponsorship, and headquarters sublease decreased by a combined \$0.5 million. .

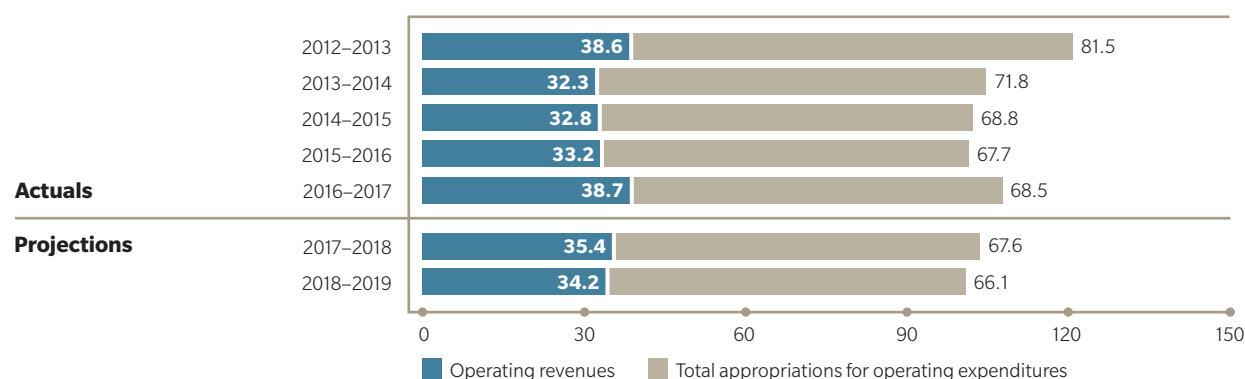
Rental operations and easements provided the most significant source of operating revenues in 2016–2017, representing 58 percent (71 percent in 2015–2016) of total operating revenues. Recurring revenues are expected to remain relatively stable in future years, when the impact of project specific items such as recoveries for the National Holocaust Monument and Rideau Hall projects are removed.

Chart 2: Main Source of Operating Revenues, 2012–2013 to 2018–2019 (in millions of dollars)



Figures for 2012–2013 reflect revenues associated with activities transferred to Canadian Heritage in September 2013. Figures for 2013–2014, 2014–2015 and future years are net of any financial impact from those transferred activities.

Chart 3: Total Operating Funding, 2012–2013 to 2018–2019 (in millions of dollars)



Figures for 2012–2013 reflect revenues and parliamentary appropriations associated with activities transferred to Canadian Heritage in September 2013. Figures for 2013–2014, 2014–2015 and future years are net of any financial impact from those transferred activities.

Expenses

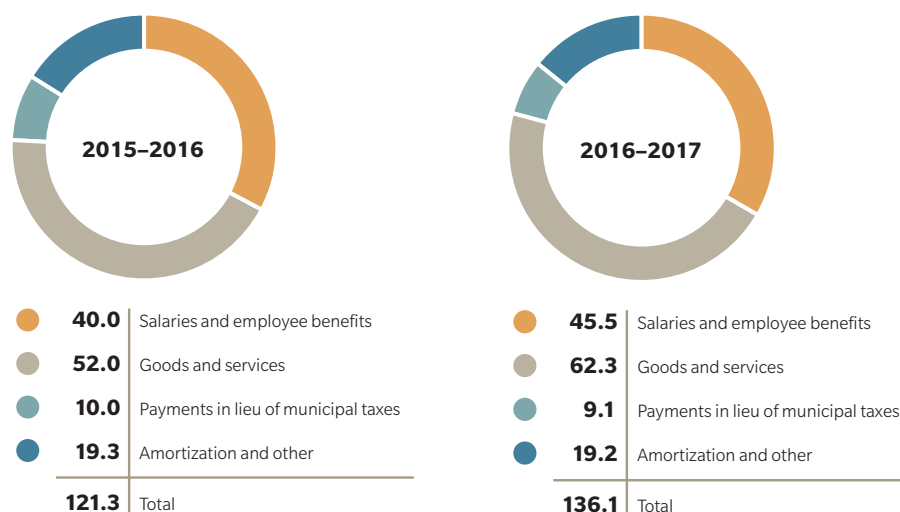
Total expenses, detailed by object in Note 11 of the financial statements, increased by 12 percent to \$136.1 million, compared to \$121.3 million in 2015-2016. The \$14.8 million year over year increase is primarily attributable to non-recurring items.

Of the total, \$4.6 million was due to a one-time increase in the sick leave provision included in salary and employee benefits. The change in estimate was as a result of an actuarial calculation of the sick leave liability based on the average remaining service period, discounted as of March 31, 2017. The balance of the \$0.9 million variance in salary and employee benefits reflected the increased number of employees required to deliver significant corporate initiatives, including projects related to Canada's sesquicentennial celebrations.

The NCC renegotiated and extended the occupancy lease for its headquarters resulting in the relinquishment of two floors and a term running from June 1, 2016 to April 30, 2041. It is expected to result in average annual cash flow savings of \$2.8 million for the next 10 years. A \$4.0 million termination fee related to the original lease was fully recognized as an expense in 2016-2017 and will be offset by a rent inducement of \$4.6 million amortized from the end of the original lease over the new lease term. Furthermore, as a result of the 43 month overlap period between the original lease and the new lease, an adjustment of \$1.2 million was recorded under other liabilities representing the difference in base rental rates between the original lease and the new leases which was deferred in 2016-2017 until the end of the original lease, and will be fully amortized by the conclusion of the new lease. The renegotiation of the NCC's occupancy lease became necessary as a result of the reduction of the NCC's Parliamentary appropriations related to the change in the NCC's mandate, the transfer of staff to Canadian Heritage and the resulting excess office space.

The remainder of the \$4.1 million year over year increase is primarily due to expenses, offset by recoveries and appropriations, related to projects such as the National Holocaust Monument.

Chart 4: Expenses by Object (in millions of dollars)



Surplus/deficit

The 2016-2017 deficit of \$6.1 million is attributable to:

- \$4.6 million increase in the sick leave provision included in salary and employee benefits;
- \$4.0 million termination fee related to the headquarters lease negotiation;
- \$1.2 million representing the non-monetary adjustment to defer the difference between the original and new headquarters lease rate; and,
- \$0.9 million in salary and employee benefits to deliver significant corporate initiatives, including projects related to Canada's sesquicentennial celebrations.

These were partially offset by:

- \$2.6 million combined reduction in operating costs for accommodations and amortization of rent inducement related to the original headquarters occupancy lease;
- \$1.9 million in contributions included under other revenues for specific initiatives; and,
- \$0.1 million combined decrease for all other expenses.

Capital Expenditures

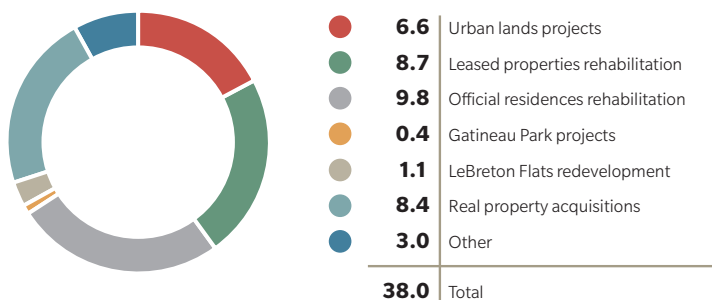
In 2016–2017, the NCC undertook \$38.0 million in capital acquisition, a total increase of \$5.3 million from \$32.7 million in 2015–2016. Major investments were as follows:

- \$9.8 million for the Official residences which includes the Rideau Hall Forecourt and the replacement of the Rideau Hall steam system as well as the installation of a new heating, ventilation and air conditioning;
- \$6.6 million in the Urban Lands portfolio for projects such as the Confederation Boulevard upgrades and the Voyageur Pathway improvements;
- \$8.4 million for real property acquisitions, including the acquisition of 210 Laurier in Gatineau;
- \$8.7 million for leased properties including several buildings on Sussex Drive, the 7 Clarence redevelopment, the 13-15 Clarence building and the O'Brien House rehabilitations; and,
- \$1.1 million for LeBreton Flats redevelopment.

The most notable increase over the prior year is the \$5.8 million increase in acquisitions of real property, the most significant of which being 210 Laurier in Gatineau.

The NCC made progress in advancing many significant projects, some of which were completed in 2016-2017, while others will conclude in 2017-2018, including key initiatives related to Canada's sesquicentennial celebrations. The projects include the implementation of a new Financial Operations and Asset Management system, the 7 Clarence building redevelopment, the Mackenzie Street Cycling Facility, the Rideau Hall Forecourt, the Dairy Building refurbishment, and the completion of landscaping at LeBreton Flats.

Chart 5: NCC Capital Acquisitions 2016–2017 (in millions of dollars)



Budgetary Analysis

Table 2 provides a detailed analysis of the 2016–2017 to 2020–2021 Summary of the Corporate Plan and 2015–2016 actual results. The table also provides operational budgets for 2017–2018, as presented in the 2017–2018 to 2021–2022 Summary of the Corporate Plan.

The revenue shortfall against budget in 2016–2017 was due primarily to a number of anticipated asset disposals which did not materialize by year end as well as recoveries for a major commemoration project which was delayed (Victims of Communism Monument). This was partially offset by other revenues which were higher than budgeted.

The actual cost of operations was \$5.9 million higher than budget, primarily as a result of the increase in the sick leave provision included in employee future benefits, the net increase in rental expenses caused by the one-time termination fee, and the non-monetary adjustment to defer the difference between the original and new headquarters lease rates.

Table 2: Statement of operations and accumulated surplus for the years ended March 31 (in thousands of dollars)

| | 2017-2018 | 2016-2017 | | | 2015-2016 | | |
|---|-----------|-----------|----------|----------|-----------|----------|----------|
| | Budget | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | |
| Rental operations and easements | 23,504 | 22,508 | 22,499 | (9) | 20,840 | 23,603 | 2,763 |
| Recoveries | 4,185 | 8,453 | 6,478 | (1,975) | 8,242 | 2,022 | (6,220) |
| User access fees | 2,843 | 2,587 | 3,095 | 508 | 2,544 | 2,710 | 166 |
| Headquarters sublease | 2,277 | 2,277 | 1,724 | (553) | 2,216 | 2,055 | (161) |
| Interest | 1,703 | 2,041 | 1,742 | (299) | 2,144 | 1,808 | (336) |
| Other Revenues ¹ | 923 | 11,957 | 3,118 | (8,839) | 4,166 | 802 | (3,364) |
| Sponsorship | | | | | | | |
| Monetary | – | – | 90 | 90 | – | 200 | 200 |
| | 35,435 | 49,823 | 38,746 | (11,077) | 40,152 | 33,200 | (6,952) |
| Expenses | | | | | | | |
| Capital Planning | 5,372 | 3,053 | 4,138 | (1,085) | 2,584 | 4,036 | (1,452) |
| Capital Stewardship and Protection | 88,417 | 94,368 | 92,348 | 2,020 | 92,124 | 84,109 | 8,015 |
| Internal Services | 35,713 | 32,718 | 39,572 | (6,854) | 33,744 | 33,105 | 639 |
| | 129,502 | 130,139 | 136,058 | (5,919) | 128,452 | 121,250 | 7,202 |
| Deficit before funding from the Government of Canada | (94,067) | (80,316) | (97,312) | (16,996) | (88,300) | (88,050) | 250 |
| Funding from the Government of Canada | | | | | | | |
| Parliamentary appropriations for operating expenditures | 67,591 | 67,806 | 68,467 | 661 | 69,056 | 67,712 | (1,344) |
| Parliamentary appropriations for tangible capital assets | 24,305 | 22,399 | 22,789 | 390 | 23,665 | 22,665 | (1,000) |
| | 91,896 | 90,205 | 91,256 | 1,051 | 92,721 | 90,377 | (2,344) |
| Surplus (deficit) for the year | (2,171) | 9,889 | (6,056) | (15,945) | 4,421 | 2,327 | (2,094) |
| Accumulated surplus at beginning of the year | 645,106 | | 648,106 | | | 645,779 | |
| Accumulated surplus at end of the year | 642,935 | | 642,050 | | | 648,106 | |

1. Other revenues include gain on disposal of tangible capital assets of \$11.47 million in the 2016-2017 Budget.

Revenue Generation, Cost Containment and Asset Life Cycle Management

As part of its Financial Sustainability Strategy the NCC will continue to implement strategies to generate additional revenues and contain costs. The NCC will also undertake priority setting and process streamlining exercises, and leverage appropriate partnership opportunities. In 2017-2018, the NCC will continue its efforts to work with the government to seek a long term solution to the financial pressures resulting, in part, from various Government of Canada initiatives implemented over the past number of years.

The investment required to properly maintain the NCC's extensive asset base has well exceeded the NCC's Parliamentary appropriations and budget allocations for years. Despite being faced with inflation and increasing costs, a growing asset base, and new priorities and challenges, such as increased need for security, new environmental requirements, health and safety regulations and invasive species, the NCC has not received any permanent increases in funding since 2009–2010. As a result, the NCC has had to defer maintenance on some assets in order to ensure that priority work can be undertaken.

The cumulative effects of this strategy are being felt, as the NCC is faced with assets in deteriorated condition that could pose a risk to public safety, if funding shortfalls are not addressed in a timely manner. A significant influx of funding is required to restore the condition of important assets to an acceptable level. In 2017–2018, the NCC will continue to work with the government to seek funding to restore the condition of assets to an acceptable level, as well as to ensure that, on an ongoing basis, the NCC has sufficient funding to be able to make adequate annual investments to properly maintain important Crown assets.

Statement of Financial Position Summary

Financial Assets totalled \$175.9 million as at March 31, 2017, a decrease of \$7.3 million or 4 percent from \$183.2 million as at March 31, 2016, mainly attributable to disbursements related to the acquisition of a major real property at 210 Laurier in Gatineau and additional projects at Rideau Hall and Rideau cottage. This was offset by additional cash receipts from contributions and recoveries for specific projects.

Liabilities totalled \$164.8 million as at March 31, 2017, an increase of \$16.6 million or 11 percent from \$148.2 million as at March 31, 2016, mainly attributable to a \$5.5 million increase in other liabilities resulting from the deferred rent inducement of the new occupancy lease, \$4.4 million in employee future benefits due to the sick leave provision adjustment, \$3.9 million increase in deferred revenues for the National Holocaust Monument construction and new easements with the City of Ottawa.

Non-Financial Assets totalled \$631.0 million as at March 31, 2017, an increase of \$17.9 million or 3 percent from \$613.1 million as at March 31, 2016, reflecting the increase of \$18.8 million in tangible capital assets net of amortization, increases due to acquisitions including 210 Laurier, construction in progress for assets such as Rideau Hall Forecourt project, 7 Clarence redevelopment and the implementation of the Financial Operations and Asset Management system.

A close-up, macro photograph of several pine cones. The focus is sharp on the foreground cones, showing the intricate texture of the scales and the central spines. The background is softly blurred, creating a sense of depth. The lighting is warm, highlighting the natural brown tones of the wood.

FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 and, where appropriate, include amounts that have been estimated according to management's best judgment. Financial information presented elsewhere in the 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 that 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 the NCC's objectives, and that transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *National Capital Act*, the by-laws of the NCC and the directive issued pursuant to Section 89 of the *Financial Administration Act*. Internal audits are conducted regularly 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 Canadian Heritage.

The members of the NCC's board of directors carry out their responsibilities in regards to 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 audits conducted to determine 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.



Dr. Mark Kristmanson
Chief Executive Officer



Michel Houle, CPA, CMA
Executive Director, Corporate Services
and Chief Financial Officer

Ottawa, Canada
November 16, 2017



INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Financial Statements

I have audited the accompanying financial statements of the National Capital Commission, which comprise the statement of financial position as at 31 March 2017, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flows for the year then ended, 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 audit. I conducted my audit 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 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 2017, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended 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 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 audit 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*, the by-laws of the National Capital Commission, and the directive issued pursuant to section 89 of the *Financial Administration Act*.



Etienne Matte, CPA, CA
Principal
for the Auditor General of Canada

16 November 2017
Ottawa, Canada

Statement of Financial Position

| As at March 31 (in thousands of dollars) | 2017 | 2016 |
|--|----------------|----------------|
| Financial Assets | | |
| Cash and cash equivalents (Note 3) | 82,541 | 92,648 |
| Restricted cash and cash equivalents – light rail transit (Note 4) | 63,105 | 62,465 |
| Accounts receivable | | |
| Federal government departments and agencies | 5,837 | 5,346 |
| Others | 5,265 | 3,785 |
| Investments (Note 3) | 19,114 | 18,987 |
| | 175,862 | 183,231 |
| Liabilities | | |
| Accounts payable and accrued liabilities | | |
| Federal government departments and agencies | 1,879 | 4,876 |
| Others | 19,908 | 14,361 |
| Light rail transit (Note 4) | 59,583 | 59,800 |
| Provision for environmental cleanup (Note 5) | 50,831 | 50,345 |
| Deferred revenue (Note 6) | 16,355 | 12,412 |
| Employee future benefits (Note 7) | 8,921 | 4,551 |
| Other liabilities (Note 8) | 7,358 | 1,856 |
| | 164,835 | 148,201 |
| Net Financial Assets | 11,027 | 35,030 |
| Non-Financial Assets | | |
| Tangible capital assets (Note 9) | 627,107 | 608,254 |
| Prepaid expenses | 2,522 | 2,472 |
| Other non-financial assets (Note 10) | 1,394 | 2,350 |
| | 631,023 | 613,076 |
| Accumulated Surplus | 642,050 | 648,106 |

Contractual rights, contractual obligations and contingent liabilities (Notes 13, 14 and 15)

The notes are an integral part of the financial statements.

Approved by the Board of Directors


Marc Seaman

Chair, Board of Directors


Robert Plamondon FCPA, FCA

Chair, Audit Committee

Statement of Operations and Accumulated Surplus

| For the year ended March 31 (in thousands of dollars) | 2017 Budget | 2017 Actual | 2016 Actual |
|--|-----------------|-----------------|-----------------|
| | (Note 2) | | |
| Revenues | | | |
| Rental operations and easements | 22,508 | 22,499 | 23,603 |
| Interest | 2,041 | 1,742 | 1,808 |
| Monetary sponsorship | – | 90 | 200 |
| Headquarters sublease | 2,277 | 1,724 | 2,055 |
| User access fees | 2,587 | 3,095 | 2,710 |
| Recoveries | 8,453 | 6,478 | 2,022 |
| Other revenues | 11,957 | 3,118 | 802 |
| | 49,823 | 38,746 | 33,200 |
| Expenses (Notes 1 and 11) | | | |
| Capital Planning | 3,053 | 4,138 | 4,036 |
| Capital Stewardship and Protection | 94,368 | 92,348 | 84,109 |
| Internal Services | 32,718 | 39,572 | 33,105 |
| | 130,139 | 136,058 | 121,250 |
| Deficit before funding from the Government of Canada | (80,316) | (97,312) | (88,050) |
| Funding from the Government of Canada | | | |
| Parliamentary appropriations for operating expenditures (Note 12) | 67,806 | 68,467 | 67,712 |
| Parliamentary appropriations for tangible capital assets (Note 12) | 22,399 | 22,789 | 22,665 |
| | 90,205 | 91,256 | 90,377 |
| (Deficit) Surplus for the year | 9,889 | (6,056) | 2,327 |
| Accumulated surplus at beginning of the year | 649,815 | 648,106 | 645,779 |
| Accumulated surplus at end of the year | 659,704 | 642,050 | 648,106 |

The notes are an integral part of the financial statements.

Statement of Change in Net Financial Assets

| For the year ended March 31 (in thousands of dollars) | 2017 Budget | 2017 Actual | 2016 Actual |
|--|-----------------|-----------------|-----------------|
| | (Note 2) | | |
| (Deficit) Surplus for the year | 9,889 | (6,056) | 2,327 |
| Acquisition and improvements of tangible capital assets (Note 9) | (47,025) | (38,015) | (32,721) |
| Amortization of tangible capital assets (Note 9) | 17,934 | 18,076 | 17,394 |
| Net loss/(gain) on disposal of tangible capital assets | (11,472) | 1,003 | 732 |
| Proceeds from disposal of tangible capital assets | 16,389 | – | 124 |
| Writedowns of tangible capital assets | – | 83 | 1,125 |
| | (24,174) | (18,853) | (13,346) |
| Change in prepaid expenses | – | (50) | 86 |
| Change in other non-financial assets | 177 | 956 | (601) |
| | 177 | 906 | (515) |
| Decrease in net financial assets | (14,108) | (24,003) | (11,534) |
| Net financial assets at beginning of the year | 37,197 | 35,030 | 46,564 |
| Net financial assets at end of the year | 23,089 | 11,027 | 35,030 |

The notes are an integral part of the financial statements.

Statement of Cash Flows

| For the year ended March 31 (in thousands of dollars) | 2017 | 2016 |
|---|-----------------|-----------------|
| Operating Activities | | |
| Cash receipts from parliamentary appropriations for operating expenditures | 66,627 | 69,977 |
| Cash receipts from rental operations and easements | 24,034 | 20,744 |
| Cash receipts from other operations | 12,560 | 8,013 |
| Cash paid to suppliers | (61,911) | (62,677) |
| Cash paid to employees | (38,242) | (38,479) |
| Interest received | 2,033 | 2,105 |
| Disbursements related to the management and remediation of sites | (764) | (860) |
| Cash flows provided (used) by operating activities | 4,337 | (1,177) |
| Capital Activities | | |
| Disbursements for light rail transit project | – | (6,125) |
| Cash receipts from parliamentary appropriations for tangible capital assets | 21,399 | 23,665 |
| Acquisition and improvements of tangible capital assets | (35,013) | (26,891) |
| Proceeds from disposal of tangible capital assets | – | 124 |
| Disbursements for environmental cleanup | (399) | (214) |
| Cash flows used by capital activities | (14,013) | (9,441) |
| Investing Activities | | |
| Cash receipts for the light rail transit project | 628 | 698 |
| Disbursements for light rail transit project | – | (205) |
| Disbursements for investments purchased | (873) | (1,476) |
| Cash receipts from investments sold | 454 | 1,050 |
| Cash flows provided by investing activities | 209 | 67 |
| Decrease in cash and cash equivalents | (9,467) | (10,551) |
| Cash and cash equivalents at beginning of the year | 155,113 | 165,664 |
| Cash and cash equivalents at end of the year | 145,646 | 155,113 |
| Represented by: | | |
| Cash and cash equivalents | 82,541 | 92,648 |
| Restricted cash and cash equivalents – light rail transit | 63,105 | 62,465 |
| | 145,646 | 155,113 |

The notes are an integral part of the financial statements.

1. Authority and Objectives

The National Capital Commission (NCC) was established in 1959 by the *National Capital Act* (1958) as an agent Crown corporation without share capital, named in Part I of Schedule III of 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 amended *National Capital Act* (2013) are 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.

The NCC is also responsible for the management and maintenance of the tangible capital assets of the official residences located in the National Capital Region. The corporation 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 are selected to reflect Canada's heritage, artistic traditions and historical associations, or to complement the architectural style of a particular residence.

In July 2015, the corporation was issued a directive (P.C. 2015-1106) pursuant to Section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner consistent with its legal obligations, and to report on the implementation of this directive in the next corporate plan. The NCC met the requirements of the directive in 2015–2016.

Program Definitions and Objectives

The NCC delivers its mandate through its program alignment architecture (PAA), which consists of a strategic outcome and three programs (including Internal Services). The PAA is the list of programs upon which the NCC bases its reporting to Parliament and Canadians. The following are the objectives for each program.

Capital Planning

The NCC guides and coordinates the use of federal lands to ensure that they inspire Canadians, meet the needs of government, and reflect the role and significance of the Capital. Through long-term plans, the identification of National Interest Land Mass (NILM) lands, and federal land use, design and transaction approvals, the NCC is able to ensure that federal land use in Canada's Capital Region reflects and respects the significance, natural environment and heritage of the Capital.

Capital Stewardship and Protection

Through this program, the NCC aims to safeguard assets of national significance in Canada's Capital Region. As steward of federal lands and assets in the region, the NCC rehabilitates, manages, develops, maintains and safeguards the Capital's most treasured natural, cultural and heritage assets, while ensuring that safe, respectful and appropriate public access is maintained. The NCC also promotes and regulates public activities on federal lands, and conserves natural resources through sound environmental management. Through its involvement in land development projects, its acquisition of national interest properties and its disposal of surplus properties, the NCC is further able to ensure that its vision for the Capital is reflected in Canada's Capital Region.

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations.

2. Significant Accounting Policies

A. Basis of Accounting

These financial statements have been prepared in accordance with the Canadian public sector accounting standards (PSAS) established by the Public Sector Accounting Board (PSAB), and reflect the policies below.

Both financial and non-financial assets are reported on the Statement of Financial Position. Non-financial assets are normally utilized to provide future services, and are expensed through amortization or upon utilization. Non-financial assets are not included in the determination of net financial assets, but are added to the net financial assets in determining the accumulated surplus.

Intangibles assets are not recognized in the financial statements.

Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported values of financial assets, liabilities and non-financial assets at the date of the financial statements, and the reported amounts of revenue and expenses for the reporting period. Estimated useful lives of tangible capital assets, unsettled land exchange, provision for environmental cleanup, employee future benefits, writedowns of tangible capital assets and the recognition of contingent liabilities are the most significant items for which estimates are used. Actual results could differ materially from those estimates.

Budget Figures

The 2016–2017 budget figures, as presented in the *2016–2017 to 2020–2021 Corporate Plan*, are included, as appropriate, in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets.

B. 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.

C. Investments

Investments include short-term portfolio investments with a term to maturity of less than 365 days, as well as long-term portfolio investments maturing in greater than 365 days. Short-term investments are comprised of money market instruments, such as bankers' acceptances and bearer deposit notes, whereas long-term investments include bonds issued by the Government of Canada, provincial and municipal governments. Investments are recorded at amortized cost using the effective interest rate method. Transaction costs are added to the carrying value of investments at initial recognition. At each financial statement date, the NCC assesses investments to determine if there is any objective evidence of impairment. Where one exists and is deemed to be due to factors other than a temporary decline, the impairment loss would be reported in the Statement of Operations and Accumulated Surplus.

D. 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:

- i. the sale of the asset is approved;
- ii. the asset is in a condition to be sold;
- iii. the asset is publicly seen to be for sale;
- iv. there is an active market for the asset;
- v. there is a plan in place for selling the asset; and
- vi. 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.

E. Provision for Environmental Cleanup

The NCC recognizes a provision for environmental cleanup and an expense for the costs associated with the remediation of contaminated sites when all of the following conditions are prevalent: an environmental standard exists; the level of contamination has been determined to exceed the environmental standard; the NCC is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made at that time. However, where the criteria for recognizing a liability are met and the contamination occurred prior to the NCC's acquisition of the land, the costs associated with the cleanup necessary to prepare the land for its intended use form an integral part of the capital costs, and are capitalized to "Land" (Note 9). When ongoing operation, maintenance and monitoring are an integral part of the remediation strategy for a contaminated site, the estimate of the liability would include the costs for such activities.

The NCC expects that future economic benefits will be given up when there is a risk to public safety and security, planned development or disposal of the land, or where public documents and Treasury Board decisions indicate that the NCC has a responsibility to the public that leaves it little or no discretion in relieving itself of the obligation. In the event that it is not possible to determine if a future economic benefit will be given up, but an amount can be reasonably estimated, a contingent liability will be disclosed in the Notes to the Financial Statements.

The costs related to the management and remediation of sites may vary depending on the land use as determined during the urban planning process and the development of the Plan for Canada's Capital. These costs are adjusted annually to reflect the time value of money, new obligations with respect to environmental evaluations, changes in management estimates and actual costs incurred.

F. Employee Future Benefits

i. Pension Benefits

Substantially all employees of the NCC are covered by the Public Service Pension Plan (the “Plan”), a 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. In accordance with current legislation, 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, representing the total NCC pension obligation for the year.

ii. Other Benefit Plans

Severance benefits, workers’ compensation benefits, maternity or parental leave benefits, and sick leave benefits represent the obligations of the NCC that require settlement by future payments.

Severance Benefits: In February 2013, a new collective agreement was signed, resulting in the elimination of the accumulation of severance benefits. Consistent with this collective agreement, all indeterminate employees were entitled to severance payments equal to one week’s pay for each complete year of continuous employment and, in cases of a partial year of continuous employment, one week’s pay multiplied by the number of days of continuous employment divided by 365, to a maximum of 30 weeks. All term employees were entitled to a severance payment equal to one week’s pay for each complete year of continuous employment, to a maximum of 30 weeks. Employees affected by these changes had the option of collecting, during the 2013–2014 fiscal year, the full or partial amount of the severance benefit accrued up to the collective agreement signing date, or of collecting, at the time of termination of employment at the NCC, the full or remaining amount of the accumulated weeks of severance.

As at March 31, 2017, the NCC recorded a liability for employees who delayed the payment of their severance benefit until the time of termination. Management uses the employee’s salary in effect at March 31, 2017, to calculate the value of the remaining obligation.

Workers’ Compensation Benefits: Workers’ compensation benefits represent an obligation that requires settlement by future payment. The NCC is subject to the *Government Employees Compensation Act* and, is therefore not mandatorily covered under any provincial workers’ compensation act. As a self-insured employer, the NCC is accountable for the obligations 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 disability and survivor pension awards and other potential awards resulting from accidents occurring 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.

Maternity or Parental Leave Benefits: Maternity or parental leave benefits represent an obligation that results in settlement during the next fiscal year. The benefits are event-driven, and are paid during an employee’s absence on maternity or parental leave.

Sick Leave Benefits: Most employees of the NCC are entitled to accumulating sick leave benefits as provided for under their conditions of employment. The NCC recognizes a liability and an expense for the cost of future sick leave benefits in the period in which employees render services that qualify for benefits. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is actuarially determined using the projected benefit method, prorated on service and management’s best estimate of discount rate, employee demographics, and sick leave usage of active employees. Actuarial gains (losses) are recognized on a systematic basis over the remaining active service life of employees covered by these sick leave benefits.

As at March 31, 2017, the NCC used, for the first time, an actuarial valuation to determine the value of its sick leave benefits. The next valuation will be made as of March 31, 2019, or earlier, should a change in the plan have a material impact on the total obligation.

G. Deferred Rent Inducement

The NCC currently leases its headquarters office space. Moving expenses and major leasehold improvements incurred by the lessor under the original lease 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 which will end on December 15, 2019.

On June 1, 2016, the NCC signed an extension of the existing lease for a term of 25 years. This resulted in a new deferred rent inducement to allow the NCC to redevelop its space in accordance with its current and future operational requirements. This incentive was recorded on the effective date of the renegotiated lease and will be amortized from the end of the original lease over the new term of the lease.

The NCC also recorded an amount in the deferred rent inducement which represents the difference between the rate paid under the original lease and the new rate paid under the renegotiated lease. This amount will be deferred until the end of the original lease and will be amortized until April 30, 2041. The amortization of the rent inducement is recorded under the “Goods and services” expense in Note 11.

H. 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 write-down is shown as an 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 other development costs are capitalized once they meet the definition of an asset and there are expected future economic benefits associated with those costs. 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 as an expense when they are acquired or donated, as disclosed in Note 11. Antiques and works of art consist primarily 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 or 40 years |
| Parkways and roadways | 25 years |
| Bridges | 25 or 45 years |
| Park landscaping and improvement | 20 or 25 years |
| Leasehold improvements | The lesser of the term of the lease or the estimated useful life of the asset |
| Office equipment, machinery and equipment | 5 or 10 years |
| Vehicles | 5 years |
| Computers and software | 3 to 7 years |

I. Non-Monetary Transactions

In the normal course of business, the NCC regularly signs non-monetary agreements. The NCC carries out 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 is deemed to have commercial substance for the NCC when its future cash flows are expected to be impacted significantly as a result of the transaction. It is significant when the configuration of the future cash flows resulting from the asset, good or service received differs significantly from the configuration of the cash flows anticipated from the asset, good or service given up. It is also significant when the NCC’s specific value of the asset, the good or service received differs from the NCC’s 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 compensation, services provided by other government agencies. These services are not recognized in the NCC’s Statement of Operations and Accumulated Surplus.

J. Revenue Recognition

Revenues result primarily from rental operations and easements, net gains on disposal of tangible capital assets, interest, sponsorship compensation, headquarters sublease, user access fees, recoveries and other revenues (e.g. merchandising and advertising sales, concession revenues, contributions and revenues 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.

K. Parliamentary Appropriations

The NCC obtains an important part of its funding through parliamentary appropriations for operating expenditures and tangible capital asset acquisition or betterment. 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 the eligibility criteria have been met.

L. Contingent Liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the obligation can be made by the NCC, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in Note 15.

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 16, 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, restricted cash and cash equivalents – light rail transit, accounts receivable, and investments. Financial liabilities consist of accounts payable and accrued liabilities, light rail transit, and unsettled expropriation of property.

N. Future Accounting Standard Changes

i. Section PS 2200 – Related party disclosures

As of April 1, 2017, the NCC will adopt Section PS 2200 – “Related party disclosures” of the *CPA Canada Public Sector Accounting Handbook*. During the year, the NCC implemented certain processes for the adoption of this standard. This standard defines related parties and establishes requirements for the disclosure of information in the financial statements. The NCC has already put in place certain procedures, including a declaration of all transactions with the NCC from the NCC's related parties. The NCC is continuing its assessment of the impact of the new standard on the financial statements.

ii. Section PS 3420 – Inter-entity transactions

As of April 1, 2017, the NCC will adopt Section PS 3420 – “Inter-entity transactions” of the *CPA Canada Public Sector Accounting Handbook*. This standard establishes accounting and disclosure requirements for transactions between public sector entities that are included in the government reporting entity. This standard is expected to have an impact on the NCC's financial statements. The NCC is currently evaluating the impact of this new standard on the financial statements.

iii. Section PS 3210 – Assets

As of April 1, 2017, the NCC will adopt Section PS 3210 – “Assets” of the *CPA Canada Public Sector Accounting Handbook*. This standard provides guidance for applying the definition of assets set out in Section PS1000, and establishes general disclosure requirements for assets. The NCC is currently evaluating the impact of this new standard on the financial statements.

iv. Section PS 3320 – Contingent assets

As of April 1, 2017, the NCC will adopt Section PS 3320 – “Contingent assets” of the *CPA Canada Public Sector Accounting Handbook*. This standard defines and establishes disclosure requirements on contingent assets. The NCC is currently evaluating the impact of this new standard on the financial statements.

v. Section PS 3380 – Contractual rights

As of April 1, 2017, the NCC will adopt Section PS 3380 – “Contractual rights” of the *CPA Canada Public Sector Accounting Handbook*. This standard defines and establishes requirements for the disclosure of contractual rights. This standard is expected to have an impact on the NCC's financial statements. The NCC is currently evaluating the impact of this new standard on the financial statements.

3. 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, provincial or municipal governments. 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, 2017, cash and cash equivalents include \$82.5 million (\$92.6 million in 2016) in cash, invested at a weighted average interest rate of 1.1 percent (1.2 percent in 2016).

B. Investments

As at March 31, 2017, the long-term portfolio of investments includes bonds of provincial governments, totalling \$19.1 million (\$19.0 million in 2016) invested at a weighted average interest rate of 3.7 percent (3.8 percent in 2016).

| | 2017 | | 2016 | |
|---------------------------|--------|---------------------|--------|---------------------|
| | Cost | Quoted Market Value | Cost | Quoted Market Value |
| (in thousands of dollars) | | | | |
| Provincial governments | 19,114 | 20,241 | 18,987 | 20,522 |
| | 19,114 | 20,241 | 18,987 | 20,522 |

C. Designated Funds

As at March 31, 2017, cash and cash equivalents included \$37.1 million (\$47.9 million in 2016) in designated funds whose use is designated or limited for the sole purpose for which they have been segregated. The following funds are segregated.

| (in thousands of dollars) | 2017 | 2016 |
|--|--------|--------|
| Revitalization of Sparks Street in Ottawa | 205 | 595 |
| Redevelopment of LeBreton Flats | 7,454 | 9,315 |
| Federal Contaminated Sites Action Plan (FCSAP) | 1,377 | 1,697 |
| Redevelopment of industrial lands on the north shore of the Ottawa River | 2,582 | 2,558 |
| Acquisition of real property ¹ | 25,476 | 33,769 |
| | 37,094 | 47,934 |

¹ These funds are used to acquire and dispose of real properties. During the period, proceeds on disposal and interest revenues amounted to \$0.4 million (\$0.6 million in 2016), with associated expenditures totalling \$8.7 million (\$3.0 million in 2016).

4. Light Rail Transit

The City of Ottawa has undertaken a significant project to convert the existing bus rapid transit system to a light rail transit system. This system will affect several NCC properties, which are subject to change until such time as the actual land requirements are finalized. In consideration of this, the NCC and the City of Ottawa (the City) signed a memorandum of understanding (MOU) on October 9, 2012, by which the NCC granted the City a temporary construction easement over the affected NCC properties in order to provide access. Further to this, the NCC and the City entered into a transfer agreement, on June 30, 2015, outlining the rights and obligations for each party regarding property rights in perpetuity, necessary to the completion of the project by December 31, 2019.

As per the MOU, the City delivered to the NCC a security deposit of \$49.0 million on January 30, 2013, which is held in a separate interest-bearing account, and represents the estimated market value of all NCC properties required by the City, subject to further adjustment. The NCC also received a performance deposit of \$24.5 million in support of the City's obligations, which is also held in a separate interest-bearing account. All of these amounts and accumulated interest are segregated in the Statement of Financial Position, reflective of the external restrictions imposed.

The transfer agreement between the NCC and the City entered into on June 30, 2015, confirmed the final market value for each land site required by the City in terms of the properties required for the light rail transit system. The properties in the areas of Hurdman, Tremblay Road and downtown (Tunnel Chambers and Shaw Centre) will be negotiated at fair market value, whereas the properties in the LeBreton Flats area will be transacted at nominal value.

On January 17, 2017, some lands were transferred to the City in accordance with article 14.1.3 of the Transfer Agreement, following the execution by the City of the agreed works required for the said transfer of the lands. These lands that are part of LeBreton Flats, were therefore transferred at nominal value and a loss of \$ 0.5 million, equal to its book value, was recorded.

The total book value of the lands affected by this project total \$1.7 million, as at March 31, 2017 (\$2.2 million in 2016). A significant gain will be recognized by the NCC when the "as built drawings" are reviewed and accepted by the NCC. The finalized drawings are to be delivered by the City to the NCC by June 30, 2019.

As of March 31, 2017, the NCC has returned to the City a total of \$13.5 million (\$13.5 million in 2016) of the performance deposit plus accrued interest as certain requirements of the Memorandum of Understanding have been met.

Western extension of the light rail transit

On March 6, 2015, the NCC and the City of Ottawa signed an MOU whereby a light rail transit extension will be constructed on the western side of the city, largely on NCC-owned land and more specifically in the corridor of the Sir John A. Macdonald Parkway. This agreement outlines the future project and improvements to the lands along the parkway that will be carried out during and after the construction of the western extension of the light rail transit. This agreement has no financial impact for the 2016–2017 fiscal year.

The following table includes amounts that have been either received or returned, as well as the net interest earned to date. During the year, net interest of \$0.6 million (\$0.5 million in 2016) has been recorded and included in the Financial Assets under "Restricted cash and cash equivalents – light rail transit" and under the "Light rail transit" liability as at March 31, 2017. The accumulated interest recorded as at March 31, 2017, was \$3.1 million (\$2.4 million in 2016).

Notes to the Financial Statements

For the year ended March, 31 2017

The “Restricted cash and cash equivalents – light rail transit” under Financial assets, are composed of the following.

| (in thousands of dollars) | Amount received | Amount returned | Interests | 2017 Total | 2016 Total |
|---------------------------|-----------------|-----------------|-----------|------------|------------|
| Security deposit | 49,026 | – | 2,493 | 51,519 | 50,994 |
| Performance deposit | 24,500 | (13,475) | 561 | 11,586 | 11,471 |
| Total | 73,526 | (13,475) | 3,054 | 63,105 | 62,465 |

As at March 31, 2017, the NCC recognized revenues totalling \$0.8 million (\$1.2 million in 2016) as it continues to provide the City access to the light rail transit properties for a defined period of time. The “Light rail transit” liability totals \$59.6 million (\$59.8 million in 2016).

5. Provision for Environmental Cleanup

As part of the Environmental Management Framework, the NCC developed a risk-based approach for the management of contaminated sites. This approach is a proactive management tool to ensure that the necessary steps are taken to identify, assess, classify and prioritize contaminated sites, and thus ensure public safety and security. To classify the sites in order of priority, all 1,578 sites owned by the NCC were the object of preliminary environmental assessments which involved researching the historical use of the land and its current use and, for those sites posing the greatest risk, an initial or detailed assessment was performed to confirm the degree of contamination.

In 2015–2016, the Treasury Board of Canada Secretariat developed a statistical model to estimate liabilities for sites for which detailed assessments have not been completed. Following a review of this model and its potential impacts for the NCC, management decided in 2016–2017 not to adopt this model, as it did not provide a fair representation of the NCC’s portfolio of contaminated lands. The NCC’s approach is to rely on site history and assessments conducted to date, to evaluate regularly and to account for appropriate liabilities.

As at March 31, 2017, the following table presents the classification of sites owned by the NCC.

| | 2017 | 2016 |
|--|--------------|--------------|
| Contaminated sites exceeding the environmental standard | | |
| Sites included in the liability or contingent liability | 41 | 40 |
| Other contaminated sites | 187 | 229 |
| Total contaminated sites exceeding the environmental standard | 228 | 269 |
| Sites lacking environmental information for classification | 352 | 357 |
| Sites not exceeding the environmental standard | 998 | 877 |
| Total sites owned by the NCC | 1,578 | 1,503 |

The NCC has identified 228 sites that contain levels of contaminants above acceptable environmental standards. The NCC land portfolio was contaminated primarily by former commercial and industrial operations. Multiple sources of contamination are associated with the former industrial and commercial sites, with the principal contaminants being metals, polycyclic aromatic hydrocarbons (PAHs), petroleum hydrocarbons, volatiles (e.g. methane) and organic compounds (e.g. trichloroethene). A liability of \$50.8 million (\$50.3 million in 2016) has been recognized for the contaminated sites where it is likely that future economic benefits will be given up. This liability represents management’s best estimate of the funds required to complete the environmental cleanup, and is based on information available as at the date of the financial statements. Of the liability, \$31.9 million (\$31.7 million in 2016) has been capitalized to the cost of the land.

Notes to the Financial Statements

For the year ended March, 31 2017

Further, the NCC estimates an unrecorded contingent liability of \$476.2 million (\$474.3 million in 2016). This amount is based on remediation activities where an environmental assessment was sufficient to calculate a reasonable estimate for the liability. However, it is impossible to determine if future economic benefits will actually be given up. The 187 remaining sites have levels of contaminants above the environmental standard. Further, these sites have been assessed by management as low corporate priority for the following reasons: they pose no public health or safety issues, they are not slated for development or disposal, and it is unlikely that the NCC will give up future economic benefits; they are secured sites or the NCC does not have sufficient information to assess a liability. Secured sites are those where the necessary studies, remediation and other risk management actions have been taken, consistent with the designated use of the site.

The valuation of the liability is based on the estimated value of the remediation activities required. This figure is indexed for the time value of money, every year, using the Bank of Canada rate. The indexation rate used in 2017 is 1.6 percent (2.1 percent in 2016).

In line with the NCC's Environmental Management Framework, 352 sites are not a priority, as they do not pose a public health or safety risk. These sites, therefore, have not been the subject of an environmental assessment to establish if the suspected contaminants are present and exceeding environmental standards, or the contamination has not yet been determined. Aside from the preliminary assessment regarding the historical use, no further evaluation has been performed.

The preliminary environmental assessments found 998 sites were either not contaminated or found to be within the environmental standards.

6. Deferred Revenues

Deferred revenues are composed of the following.

| (in thousands of dollars) | 2017 | 2016 |
|--|--------|--------|
| Deferred rental revenues | 7,920 | 8,278 |
| Deferred easement and license of occupation revenues | 5,192 | 2,795 |
| Other deferred revenues | 3,243 | 1,339 |
| | 16,355 | 12,412 |

The deferred rental revenue is primarily the present value of the minimum future lease payments that the NCC has collected under three different land lease agreements. The present value for the current agreements was determined using discount rates of 4.27 percent, 6.01 percent and 6.5 percent. This deferred rental revenue will be recognized as income over the term of the lease agreements, which have different termination dates extending to 2068. During the year, \$0.4 million (\$0.4 million in 2016) of deferred rental revenue was recognized as income.

7. Employee Future Benefits

A. Pension Benefits

Substantially all of the employees of the NCC are covered by the Public Service Pension Plan (the “Plan”), a 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 employee’s required contribution. The required employer contribution rate for 2016 and 2017 was dependent on the employee plan contribution start dates. For plan participation prior to 2013, the NCC’s contribution rate effective at year-end was 1.01 times (1.15 in 2016) the employee contribution. For plan participation beginning on January 1, 2013, or later, the NCC’s contribution rate effective at year-end was 1.00 times (1.11 in 2016) the employee’s contribution. NCC and employee contributions to the Plan for the year were as follows.

| (in thousands of dollars) | 2017 | 2016 |
|---------------------------|-------|-------|
| NCC’s contributions | 3,639 | 4,045 |
| Employee contributions | 3,315 | 3,349 |

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 per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and Quebec Pension Plan benefits, and are indexed to inflation.

B. Other Benefit Plans

As at the Statement of Financial Position date, information relating to NCC benefits plans other than the pension plan is as follows.

| (in thousands of dollars) | 2017 | 2016 |
|---|-------|-------|
| Accrued benefit obligation, beginning of year | 4,551 | 3,674 |
| Cost for the year | 4,596 | 1,650 |
| Benefits paid during the year | (226) | (773) |
| Accrued benefit obligation, end of year | 8,921 | 4,551 |

i. Severance, Workers’ Compensation and Maternity or Parental Leave Benefits

The severance benefits ceased to accumulate when the new collective agreement was signed in February 2013. As at March 31, 2017, the severance benefit represents the obligation for employees who delayed payment until the time of termination.

The NCC also provides workers’ compensation benefits, based on benefits determined by the Workplace Safety and Insurance Board of Ontario. The value of the accrued obligation for workers’ compensation is determined using actuarial data from the Workplace Safety and Insurance Board of Ontario.

In addition, the NCC provides maternity or parental benefits in accordance with the conditions of employment for the different groups of employees. The maternity or parental benefits represent for the NCC an obligation that entails settlement in the next year.

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.

Notes to the Financial Statements

For the year ended March, 31 2017

ii. Sick Leave Benefits

The accrued sick leave obligation totals \$5.9 million as at March 31, 2017 (\$1.3 million in 2016). The NCC has recorded an obligation related to sick leave benefits for its employees. The NCC changed its valuation methodology and used, for the first time, an actuarial valuation to determine the value of its sick leave benefits as at March 31, 2017. The estimated average remaining service period for employees is 12 years. The NCC will amortize the 2016–2017 actuarial gain of sick leave over the 12 years.

The key assumptions used in the actuarial evaluation include a discount rate of 2.3 percent, as well as an economic wage increase rate of 2.2 percent for 2017 and 2.6 percent thereafter. Included in the sick leave obligations is a non-amortized actuarial gain of \$0.5 million.

8. Other Liabilities

Other liabilities are composed of the following.

| (in thousands of dollars) | 2017 | 2016 |
|---------------------------------------|-------|-------|
| Deferred rent inducement ¹ | 6,168 | 669 |
| Unsettled land exchange ² | 1,000 | 1,000 |
| Unsettled expropriation ³ | 190 | 187 |
| | 7,358 | 1,856 |

1. The deferred rent inducement represents the balance of \$0.4 million from the original lease plus the deferred rent inducement for the new lease of \$4.6 million. In addition, \$1.2 million represents the difference in rates paid on the two leases. See Note 2G for more detail.

2. The unsettled land exchange will be completed when the third parties involved in the exchange are ready to receive the goods and/or services under the agreement.

3. The unsettled expropriation is payable on demand.

9. Tangible Capital Assets

| | Cost | | | Accumulated Amortization | | | Net Book Value | | | |
|---|-----------------|--------------|--|--------------------------|-----------------|----------------------|---------------------------|-----------------|-------------------|-------------------|
| | Opening Balance | Acquisitions | Disposals/ Adjustments ³ | Closing Balance | Opening Balance | Amortization Expense | Disposals/ Adjustments | Closing Balance | March 31, 2017 | March 31, 2016 |
| (in thousands of dollars) | | | | | | | | | | |
| Land ¹ | 299,736 | 6,637 | 477 | 305,896 | – | – | – | – | 305,896 | 299,736 |
| Buildings and infrastructure ^{2,3} | | | | | | | | | | |
| Parkways, bridges and roadways | 255,682 | 4,458 | 48 | 260,092 | 157,124 | 5,290 | – | 162,414 | 97,678 | 98,557 |
| Historical properties | 120,225 | 10,176 | 2,113 | 128,288 | 63,450 | 2,483 | 1,659 | 64,274 | 64,014 | 56,774 |
| Rental properties | 148,711 | 10,673 | 31 | 159,353 | 85,880 | 2,935 | 32 | 88,783 | 70,570 | 62,831 |
| Parks | 133,273 | 940 | 8 | 134,205 | 82,189 | 3,407 | 12 | 85,584 | 48,621 | 51,084 |
| Administrative and service buildings | 28,458 | 345 | 1 | 28,802 | 15,283 | 874 | 1 | 16,156 | 12,646 | 13,174 |
| Recreational properties | 31,111 | 72 | – | 31,183 | 21,692 | 629 | 1 | 22,320 | 8,863 | 9,418 |
| Development properties | 19,081 | 1,923 | – | 21,004 | 10,749 | 396 | – | 11,145 | 9,859 | 8,335 |
| Leasehold improvements | 12,491 | 679 | 866 | 12,304 | 9,368 | 1,105 | 753 | 9,720 | 2,584 | 3,123 |
| Equipment ² | | | | | | | | | | |
| Office equipment, machinery and equipment | 7,129 | 127 | – | 7,256 | 5,672 | 262 | – | 5,934 | 1,322 | 1,457 |
| Computers and software | 8,158 | 1,903 | 67 | 9,994 | 4,961 | 514 | 67 | 5,408 | 4,586 | 3,197 |
| Vehicles | 1,621 | 82 | – | 1,703 | 1,054 | 181 | – | 1,235 | 468 | 568 |
| | 1,065,676 | 38,015 | 3,611 | 1,100,080 | 457,422 | 18,076 | 2,525 | 472,973 | 627,107 | 608,254 |

1. The land cost includes \$0.2 million (\$0.2 million in 2016) of unsettled expropriation and land exchange.

2. The total cost of buildings and infrastructure and equipment include \$27.7 million (\$18.2 million in 2016) of construction in progress. When completed, the cost of these projects will be amortized on the basis of their estimated useful life.

3. The disposals and adjustments include writedowns of \$0.1 million in buildings and infrastructure (\$1.1 million in 2016).

4. The acquisition and improvements of tangible capital assets and the disbursements for environmental cleanup presented in the Statement of Cash Flows exclude an amount of \$5.0 million (\$2.8 million in 2016) in relation to the acquisition and improvements of tangible capital assets that remain unpaid as at March 31, 2017 as well as an amount of \$0.5 million for non-monetary transactions incurred during the year.

5. As at 31 March 2017, no asset held for sale was disclosed separately (none in 2016).

10. Other Non-Financial Assets

As part of a non-monetary transaction carried out during 2001–2002, the NCC transferred properties, and is committed to render services to the former City of Hull. In exchange, the City also transferred properties and is committed until 2022 to maintain parks and roads belonging to the NCC. As of March 31, 2017, the unamortized present value of these maintenance services, discounted at the interest rate of 6.5 percent, amounts to \$0.8 million (\$1.0 million in 2016). This non-financial asset is recognized on a straight line basis, and the expense of \$0.2 million (\$0.2 million in 2016) is included under “Goods and services” in Note 11.

In 2014–2015, the NCC entered into an agreement with the City of Ottawa. The City of Ottawa will transfer specific land to the NCC by December 31, 2019, in accordance with the “Legacy Agreement” convention. This non-financial asset represents \$0.6 million (\$0.6 million in 2016).

11. Expenses by Object

The following provides a summary of expenses by object.

| (in thousands of dollars) | 2017 Budget | 2017 Actual | 2016 Actual |
|---|----------------|----------------|----------------|
| Goods and services | 61,790 | 62,340 | 52,044 |
| Salaries and employee benefits | 41,082 | 45,424 | 39,955 |
| Amortization | 17,934 | 18,076 | 17,394 |
| Payments in lieu of municipal taxes | 9,333 | 9,132 | 10,000 |
| Net loss on disposal of tangible capital assets | – | 1,003 | 732 |
| Writedowns of tangible capital assets | – | 83 | 1,125 |
| | 130,139 | 136,058 | 121,250 |

Antiques, works of art and monuments acquired or built by the NCC and those donated to the Canadiana Fund or the NCC are not recorded as tangible capital assets but are recorded as expenses and are included in “Goods and services.” For the period ended March 31, 2017, the value of antiques, works of art and monuments totalled \$4.8 million (\$0.2 million in 2016).

For the period ended March 31, 2017, in-kind goods received by the NCC represented \$0.1 million (\$0.3 million in 2016) of the “Goods and services” expense.

12. Parliamentary Appropriations

| (in thousands of dollars) | 2017 | 2016 |
|---|---------------|---------------|
| Parliamentary appropriations for operating expenditures | | |
| Amount received during the year | 67,339 | 69,056 |
| Amount receivable at the end of the year | 496 | 2,301 |
| Amount payable at the end of the year | – | (3,013) |
| Amount received from previous year | 632 | – |
| Amount deferred to next year | – | (632) |
| | 68,467 | 67,712 |
| Parliamentary appropriations for tangible capital assets | | |
| Amount received during the year | 22,399 | 23,665 |
| Amount receivable at the end of the year | 390 | – |
| Amount payable at the end of the year | – | (1,000) |
| | 22,789 | 22,665 |
| Parliamentary appropriations approved and recorded during the year | 91,256 | 90,377 |

13. Contractual Rights

Since its inception, the NCC has acquired properties, many of which were deemed to be part of the National Interest Land Mass (NILM). In order to ensure that their development is consistent with the NCC's mandate as steward of the National Capital Region, a number of the properties were added to the NCC's real estate portfolio to provide opportunities for appropriate and sustainable development, including the offering of long-term ground leases.

In some cases, ground leases were granted to permit the lease of the land for a period of time during which tenants could construct infrastructure for their use over the course of the lease term. At the end of the lease term, the infrastructure would be surrendered to the NCC at no cost, in accordance with the agreement.

Infrastructure built under these ground leases, defined as leasehold interests, is not recorded in the NCC's financial statements. The leasehold interests will be recognized as tangible capital assets once the infrastructure has been surrendered to the NCC at the end of the lease term.

Notes to the Financial Statements

For the year ended March, 31 2017

The NCC currently has eight (8) ground leases for which it has a contractual right to future economic benefits. A reliable estimate of the financial impact to the financial statements when these infrastructures are obtained at the end of their respective lease terms cannot yet be made, however it is expected to be material.

| End of Lease Term | Type of building |
|-------------------|--|
| 2049 | Hotel facility |
| 2056 | Office building with commercial space |
| 2061 | Residential condominiums with commercial space |
| 2063 | Residential apartments with commercial space |
| 2065 | Residential apartments with commercial space |
| 2068 | Residential condominiums with commercial space |
| 2069 | Office building with commercial space |
| 2075 | Residential condominiums with commercial space |

14. Contractual Obligations

i. The NCC has entered into agreements for services that amount to \$65.7 million (\$52.5 million in 2016) and office accommodation leases that amount to \$138.1 million (\$38.7 million in 2016). These agreements, which total \$203.8 million (\$91.2 million in 2016), have differing termination dates, with the latest ending in 2047. The service agreements are contracts related primarily to information technology services and the management and maintenance of the NCC's lands and properties.

The approximate minimum annual payments under these agreements for the next five years and thereafter are as follows.

| (in thousands of dollars) | Leases | Services | Total |
|---------------------------|---------|----------|---------|
| 2017-2018 | 7,019 | 19,647 | 26,666 |
| 2018-2019 | 7,083 | 14,078 | 21,161 |
| 2019-2020 | 6,435 | 11,330 | 17,765 |
| 2020-2021 | 4,805 | 6,641 | 11,446 |
| 2021-2022 | 5,203 | 5,645 | 10,848 |
| 2022 and thereafter | 107,571 | 8,362 | 115,933 |

ii. The NCC has entered into contracts for capital expenditures of approximately \$11.5 million (\$6.8 million in 2016). Payments under these contracts are expected to be made within the next fiscal years.

15. Contingent Liabilities

A. Claims

In the normal course of business, and due to the NCC's ownership of lands in the National Capital Region, claims have been made against the NCC, totalling a net amount of \$7.7 million (\$6.6 million in 2016), excluding interest and other costs. These claims result primarily from alleged personal injuries sustained on NCC lands, which often leads to the NCC being named as one of several parties in litigation. To mitigate this legal risk, the NCC will file counterclaims, cross-claims and third-party claims, as appropriate. Due to the complex and lengthy legal process, outcomes are often not determinable until the claim is finally settled. Nevertheless, it is the opinion of management that certain of these claims will result in settlements approximating \$0.1 million (\$0.5 million in 2016) which has been recorded as a liability during the year. Future payments resulting from claims where final settlements, if any, are currently unpredictable with any degree of accuracy will be accounted for in the year in which the liability becomes likely.

B. Contingent Liabilities for Environmental Cleanup

The NCC also has a contingent liability of \$476.2 million (\$474.3 million in 2016) with respect to environmental cleanup, which is presented in more detail in Note 5.

16. 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, restricted cash and cash equivalents – light rail transit, accounts receivable, and investments.

The maximum exposure of the NCC to credit risk at March 31, 2017, is as follows.

| (in thousands of dollars) | 2017 | 2016 |
|---|---------|---------|
| Cash and cash equivalents | 82,541 | 92,648 |
| Restricted cash and cash equivalents - Light rail transit | 63,105 | 62,465 |
| Accounts receivable | | |
| Federal departments and agencies | 5,837 | 5,346 |
| Others | 5,265 | 3,785 |
| Investments | 19,114 | 18,987 |
| | 175,862 | 183,231 |

Notes to the Financial Statements

For the year ended March, 31 2017

The credit risk associated with cash and cash equivalents and restricted cash and cash equivalents – light rail transit is minimized substantially by ensuring that cash surpluses are invested in high-quality 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, provincial and municipal governments. Management believes that the risk of loss is minimal.

The credit risk associated with long-term investments is substantially minimized by ensuring that assets are invested in bonds of federal and provincial governments (Note 3).

The credit risk associated with accounts receivable is minimized, since a large proportion of customers are federal, provincial 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.

There has been no change, other than that previously mentioned, in the level of risk compared with the previous fiscal year, and there has been no change in the practice used for managing credit risk.

Management believes that 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 federal, provincial, municipal and smaller customers.

At March 31, 2017, accounts receivable from federal, provincial or municipal entities comprised 56 percent (60 percent in 2016) of the total amounts due.

The following table presents an analysis of the age of accounts receivable, net of allowance for doubtful accounts, as at March 31, 2017.

| (in thousands of dollars) | 2017 | 2016 |
|--|---------------|--------------|
| Accounts receivable net of allowance for doubtful accounts: | | |
| Less than 30 days past billing date | 8,732 | 6,898 |
| 30–60 days past billing date | 233 | 610 |
| 61–90 days past billing date | 225 | 70 |
| Greater than 90 days past billing date | 2,336 | 1,710 |
| | 11,526 | 9,288 |
| Allowance for doubtful accounts | (424) | (157) |
| | 11,102 | 9,131 |

Notes to the Financial Statements

For the year ended March, 31 2017

The NCC must make estimates in respect of the allowance for doubtful accounts. The 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. These same factors are considered when determining whether to write off amounts against 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) | 2017 | 2016 |
|--|------------|------------|
| Allowance for doubtful accounts | | |
| Balance at beginning of year | 157 | 206 |
| Bad debt expense | 314 | 18 |
| Amounts written off and recoveries | (47) | (67) |
| Balance at end of year | 424 | 157 |

The NCC believes that this allowance for doubtful accounts is sufficient to cover the risk of default. There are no other financial assets past due or impaired as at March 31, 2017 (none in 2016).

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. 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 from 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 into cash. Finally, management believes that there is no liquidity risk for the light rail transit liability, since the related financial asset is in the form of cash held in a separate bank account.

There has been no change in the level of risk compared with the previous fiscal year, and there has been no change in the practice used for managing liquidity risk.

The following table presents an analysis of the estimated maturities of the financial liabilities as at March 31, 2017.

| (in thousands of dollars) | 2017 | 2016 |
|---|---------------|---------------|
| Accounts payable and accrued liabilities | | |
| Less than 90 days | 13,302 | 13,043 |
| 90–365 days | 8,485 | 6,194 |
| | 21,787 | 19,237 |
| Other liabilities - Unsettled expropriation (Note 8) | | |
| More than 365 days | 190 | 187 |
| | 21,977 | 19,424 |

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 includes 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, 2017.

| (in thousands of dollars) | 2017 | 2016 |
|--|----------------|----------------|
| Cash and Cash Equivalents and Investments | | |
| Cash and cash equivalents – Market interest rate | 82,541 | 92,648 |
| Restricted cash and cash equivalents – Light rail transit – Market interest rate | 63,105 | 62,465 |
| Investments more than 365 days – Fixed interest rate | 19,114 | 18,987 |
| | 164,760 | 174,100 |

The interest rate exposure of the NCC arises from its interest-bearing financial assets. Cash and cash equivalents earn interest at market rate. The NCC's objective is to manage its exposure to the interest rate risk of its cash and cash equivalents 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. If interest rates for the year ended March 31, 2017, had been 50 basis points lower or higher, with all other variables held constant, interest revenue for the same period would have been impacted by \$0.4 million (\$0.5 million in 2016) lower or higher, respectively.

The approach to the "Restricted cash and cash equivalents – light rail transit" is identical to that of the NCC's cash and cash equivalents management. Bearing this in mind, had interest rates for the year ended March 31, 2017, been 50 basis points lower or higher, with all other variables held constant, interest earned and allocated to the restricted cash and cash equivalents to light rail transit for the same period would have been \$0.3 million (\$0.3 million in 2016) lower or higher, respectively.

Investments include bonds of the provincial governments at a fixed interest rate with an average term to maturity of 3.9 years (4.7 years in 2016). These investments are indirectly affected by fluctuations of fair value, due to fluctuations of the market interest rate. However, there is no impact on the interest revenue that the NCC derives from long-term investments.

There has been no change in the level of risk compared with the previous fiscal year, and there has been no change in the practice used for managing market risk.

17. Related Party Transactions

The NCC is related by virtue of 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 \$8.0 million (\$7.6 million in 2016) for utilities, rental of space, tangible capital assets, and services purchased from other government departments and agencies; and earned revenues totalling \$7.3 million (\$4.9 million in 2016) from services rendered, rental operations and sales of tangible capital assets.

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.

18. Subsequent Event

In early May, flooding along the Ottawa and Gatineau rivers seriously affected areas in and around the cities of Gatineau and Ottawa. Numerous NCC sites and infrastructure were affected, necessitating closure of a number of pathways and sites until such time as the water levels had receded and verification of structural integrity could be completed. NCC specialists worked with consultants to complete necessary assessments, phase consequential work and provide estimates of the financial impact. Current estimates for necessary work expected to be completed by 2018-2019 total \$3.2 million.

In late October, heavy and sudden rains caused extensive damage to roads and infrastructures in and around the City of Gatineau and Gatineau Park. The Greenbelt also experienced incidents of flooding and storm related destruction. NCC specialists will work with technical consultants to assess the extent of damage and provide estimates of necessary repairs or reconstruction, as appropriate.

19. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

APPENDICES



Appendix I

Committees of the Board, Advisory Committees and Special Committees as at March 31, 2017

Executive Committee

Chair

Russell Mills

Members

Dr. Mark Kristmanson

Robert Plamondon

Michael Poliwoda

Kay Stanley

Audit Committee

Chair

Robert Plamondon

Members

Aditya Jha

Carol Loughrey

Michael Pankiw

Denys Rivard

Basil L. Stewart

Ex Officio Members

Russell Mills

Dr. Mark Kristmanson

Governance Committee

Chair

Kay Stanley

Members

Brian Coburn

Norman Hotson

Carol Loughrey

Lisa M. MacDonald

Michael Poliwoda

Denys Rivard

Ex Officio Members

Russell Mills

Dr. Mark Kristmanson

Advisory Committee on Planning, Design and Realty

Chair

Eha Naylor, Toronto, Ont.

Vice-Chair

Clément Demers, Montréal, Que.

Members

Paul 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.

Anne McIlroy, Toronto, Ont.

Julian Smith, Queenston, Ont.

Ex Officio Members

Russell Mills

Dr. Mark Kristmanson

Board Members

Victor Brunette

Michael Pankiw

Advisory Committee on the Official Residences of Canada

Chair

Christina Cameron, Montréal, Que.

Vice-Chair

Richard Alway, Toronto, Ont.

Members

Richard Lindo, Ottawa, Ont.

Germain Matthieu, Ottawa, Ont.

Gerry McGeough, Vancouver, B.C.

Dorothy Stern, Ottawa, Ont.

Cynthia Street, Halifax, N.S.

Ex Officio Members

Russell Mills

Dr. Mark Kristmanson

Board Members

Norman Hotson

Aditya Jha

Canadiana Fund

Chair

Grant Jameson, Ottawa, Ont.
(Co-Chair)

Cynthia Price Verrault, Montréal, Que.
(Co-Chair)

Members

Marion Beyea, Fredericton, N.B.

Anne Fotheringham, Toronto, Ont.

Kathy Hays, Calgary, Alta.

Shane O'Dea, St. John's, N.L.

Douglas B. Richardson,
Saskatoon, Sask.

Deborah Riley, Winnipeg, Man.

Candace Stevenson, Halifax, N.S.

Fei Wong, Vancouver, B.C.

Harvey Slack, Ottawa, Ont.
(Executive Director Emeritus)

Advisory Committee on Universal Accessibility

Chair

Gary Lacey, National Capital
Commission

Vice-Chair

Bob Brown, Ottawa, Ont.

Members

Barry McMahon, Ottawa, Ont.

Frédéric Carrier, National
Capital Commission

Mona Lamontagne, National
Capital Commission

Appendix II

Partners and Sponsors

The success of the National Capital Commission's programming and activities depends on the support and contributions of many partners and corporate sponsors. 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 2016–2017.

NCC Partners

| | | |
|---|--|--|
| Agence de bassin versant des 7 | Cégep de l'Outaouais | Festival franco-ontarien |
| Agriculture and Agri-Food Canada | Centrepointhe Theatres (City of Ottawa) | FloraQuebeca |
| Algonquin to Adirondacks Collaborative | Chelsea Pub | Forêt Québec |
| Alpine Club of Canada – Ottawa Section | Chelsea Trails | Friends of Gatineau Park |
| Alta Vista Animal Hospital | Child and Youth Friendly Ottawa | Friends of Maplelawn Garden |
| Animals in War Dedication Committee | Citizens for Safe Cycling | Friends of the Mer Bleue |
| Association des auteurs et auteures de l'Outaouais | City of Ottawa | Gatineau Loppet |
| Auberge Old Chelsea B&B | Club optimiste de Hammond | Gatineau Valley Historical Society |
| Avant-Garde Bar & Gift Shop | Commerce Chelsea | George Weston Limited |
| Bell Media (Astral: Rouge 94.9 FM and Energie NRJ 104.1 FM) | Commonwealth Games Canada | Girl Guides of Canada |
| Biodiversity Conservancy International | Communities in Bloom | Global Affairs Canada |
| Bird Studies Canada | Conseil régional de l'environnement et du développement durable de l'Outaouais | Global Centre for Pluralism |
| Biscotti & cie | Coopérative des paramédics de l'Outaouais | Government of Ontario |
| Bougie Doozy Candle | Cross Country Canada | Governor General of Canada |
| Bushtukah | Delegation of the European Union to Canada | Greenbelt Coalition of Canada's Capital Region |
| ByWard Market BIA | Dovercourt Recreation Centre | Groupe Poliquin-Wakefield Group Inc. |
| Camp Fortune | Eastern Chapter of the Society of Ontario Nut Growers | Guid'Amies franco-canadiennes |
| Canada Science and Technology Museum | École secondaire Mont-Bleu | Hardwood Ski and Bike |
| Canadian Building Trades | Embassy of Belgium | Haunted Walks of Ottawa |
| Canadian Capital Cities Organization | Embassy of the Federal Republic of Germany | Holland Bulb Market |
| Canadian Fallen Firefighters Foundation | Embassy of Hungary | Home Hardware Stores Ltd. |
| Canadian Food Inspection Agency | Embassy of Ireland | House of Commons |
| Canadian Football League | Embassy of the Kingdom of the Netherlands | Hydro One Inc. |
| Canadian Garden Council | Embassy of Mongolia | Independent Filmmakers Co-operative of Ottawa |
| Canadian Heritage | Embassy of the Republic of Cuba | Indigenous and Northern Affairs Canada |
| Canadian Museum of Nature | Embassy of the Republic of the Philippines | Institut des Sciences de la Forêt tempérée |
| Canadian Parks and Wilderness Society (CPAWS) | Embassy of the Republic of Poland | Kanata Nordic Ski Club |
| Canadian Red Cross | Embassy of the State of Israel | Katökh |
| Canadian Ski Marathon | Embassy of Switzerland | Kitigan Zibi Anishinabeg |
| Canadian Tulip Festival | Embassy of the United States of America | Kiwanis Club of Ottawa |
| Canadian Wildlife Federation | Employment and Social Development Canada | KPMG LLP |
| Cape Farewell | Environment and Climate Change Canada | La Gourmandise |
| Capital Cruises | Fédération des clubs de motoneigistes du Québec (FCMQ) | Laurier House |
| Carleton Regional Snowmobile Club | Festival de montgolfières de Gatineau | Leave No Trace Canada |
| Carleton University | | LeDroit |
| Casino Lac-Leamy Sound of Light | | Les Fougères |
| | | Library and Archives Canada |
| | | Library of Parliament |
| | | Macoun Field Club |

| | | |
|---|---|---|
| McGill University | Outaouais Birding Club | Tourism Outaouais |
| Ministère de l'Énergie et des Ressources naturelles du Québec | Para Transpo | Trailhead Paddle Shack |
| Ministère des forêts, de la Faune et des Parcs du Québec | Parks Canada | Trans Canada Trail Foundation |
| Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques du Québec | Pecco's | Transcollines |
| Mississippi Valley Conservation Authority | PhysioSport Chelsea | Tribute to Liberty |
| Montréal Biodôme | Pizza de Luigi | Université de Montréal |
| Mont-Sainte-Anne | Pontiac Equestrian Association | Université du Québec en Outaouais |
| MosaïCanada 150/Gatineau 2017 | Premiers Soins Medtrakevac | University of Ottawa |
| MRC des Collines-de-l'Outaouais | Public Services and Procurement Canada | University of Toronto |
| Municipality of Chelsea | Queen's University | Vanhoff & Blokker |
| Municipality of La Pêche | Ramsayville Equestrian Club | Vélo-Services |
| Municipality of Pontiac | RBC Ottawa Bluesfest | Ville de Gatineau |
| Nakkertok Nordic | Rebec & Kroes | Veterans Affairs Canada |
| National Arts Centre | Relais plein air du parc de la Gatineau | Volleyball Canada |
| National Gallery of Canada | Réseau d'étude et de surveillance des écosystèmes forestiers québécois | Vraie Nature Yoga + Énergie |
| Natural Resources Canada | Réseau Sépaq | Wakefield–La Pêche Chamber |
| Nature Conservancy of Canada | Rideau Valley Conservation Authority | Wakefield Trails |
| Nordik Spa-Nature | Rogers Media (Y101.1 FM and 105.3 KISS FM) | |
| OC Transpo | Rotary Club of Ottawa | NCC Sponsors |
| Office of the Secretary to the Governor General | Royal Canadian Mounted Police | Access Storage |
| Ontario Ministry of Natural Resources and Forestry | Senate of Canada | Canadian Imperial Bank of Commerce (CIBC) |
| Ontario Ministry of Transportation | Service Action Communautaire Outaouais Inc. | CEECAM Corporation |
| Orchid Specialist Group (North America Regional Group) | Service Canada | Conseil des écoles publiques de l'Est de l'Ontario (CEPEO) |
| Orienteering Ottawa | Shepherds of Good Hope Foundation | Enbridge |
| Orléans Nordic Ski Club | Sheraton Ottawa Hotel | Giant Tiger |
| Ottawa Citizen | Siberian Cat Café | GoodLife Fitness |
| Ottawa–Gatineau Geoheritage Project | Ski Tour Canada | Gowling Lafleur Henderson LLP |
| Ottawa International Airport | Société de transport de l'Outaouais | MEC (Mountain Equipment Co-operative) |
| Ottawa International Children's Festival | Société des établissements de plein air du Québec | NOKIA |
| Ottawa Mountain Bike Association | South Nation Conservation Authority | Ontario Lottery and Gaming Corporation (OLG) |
| Ottawa Public Health | Sparks Street BIA | PepsiCo Canada |
| Ottawa Tourism and Convention Authority (OTCA) | Strutt Foundation | Pizza Pizza Limited |
| Ottawa Valley Kite Club | Supreme Court of Canada | Professional Institute of the Public Service of Canada (PIPSC) |
| Ottawa Volunteer Search and Rescue | Tamarack Ottawa Race Weekend | Velofix Ottawa |
| | TD Ottawa Jazz Festival | |
| | Telefilm Canada | |
| | The Royal Canadian Geographical Society | |

Appendix III

Employees of the National Capital Commission

The National Capital Commission would like to thank all its employees for their commitment, dedication and hard work in making 2016–2017 a successful year.

| | | | |
|---------------------------|--------------------------|------------------------|---------------------------|
| Acar, Nathalie | Boulet, Marie-France | Cyr, Sarah | Fournier, Mario |
| Acheson, Sophie | Bourdeau, Dominique | Dabrowski, Mark | Fournier, Philippe |
| Al-Koutsi, Micheline | Bourgon, Marie-Pier | Daigneault, Francois | Francin, Kate-Issima |
| Allaf, Sherine | Bousbia, Kheir-Eddine | Daigneault, Richard | Friedman, Elaine |
| Ally, Caitlin | Brière, Patrice | D'Aoust, Jessica | Frigon, Geoffrey |
| Alves, Fatima | Brisson, Mathieu | David, Alain | Fyson, Vincent |
| Amyot, Anne Marie | Brown, James | Davis, Stefan | Gagnon, Nelson |
| Andayo-Michalowski, Irene | Brown, James W | Dawson, Janice | Galindez, Juan |
| Archambault, Alain | Bullock, Amy | Deguire, Danielle | Gallant, Mark |
| Aspirot, Sylvie | Bunch, Rebecca | Deguire, Sébastien | Galletti, Nicholas |
| Badgley, Ian | Bunting, Patrick | Dehler, Mark | Gamache, Émilie |
| Bailey, Richard | Bureau, Lucie | Delfing, Wolfgang | Gaston, Katherine |
| Barakengera, Martin | Bureau, Marie-Andrée | Delisle, Stephanie | Gélinas, Benoît |
| Barbarie, Diane | Burleton, Mark | Demers, Madeleine | Gendron, Paul |
| Barbe, Marie-France | Cadieux, Nancy | Deneault, Roxanne | Giancaterino, Rosanna |
| Barker, Louise | Candow, Sandra | Denis, Pierre-Luc | Gingras, Philippe |
| Barrie, Rachel | Cantin, Claude | d'Entremont, Alain | Girard-Ruel, Emilie |
| Bastin, Martine | Carrier, Frédéric | Desabrais, Caroline | Giroux, Janie |
| Beaudoin-Roy, Isabelle | Carrière, Mariline | Desbiens, Chantal | Giroux, Martin |
| Beaulieu, Jean-Michel | Castagne, Brigitte | Deschamps, Sébastien | Glancy, Taryn |
| Beauregard, Anne Carole | Castonguay, France | Desmarais, François | Globensky, Susan |
| Beausoleil, Luc T | Cedeno, Pedro | Desrosiers, Sophie | Godard, Sylvain |
| Beauvais-Doucet, Isabel | Chabiague, Pierre | Devine, Bruce | Goggin, Ashley |
| Bédard, Chantal | Chakraborty, Binitha | Dhunnoo, Lakshna | Gooding, Jimmy |
| Bédard, Eric | Chalhoub, Nancy | Dignard, Nikki | Goulet, Julie |
| Beggs, Carole | Champagne, Daniel | Dimanche, Goldy | Groulx, Luc |
| Bégin, Daniel | Charbonneau, Jean | Dinelle, Patrick | Grudniewicz, Dorota |
| Bélair, Stéphane | Charette, Yoland | Dods, Douglas Edward | Hagen, Andrew |
| Bélanger, Natalie | Charlebois, France | Doré, Mylaine | Hall, Geoffrey |
| Bélanger, Nicolas | Charron, Hugues | Dorego, Pierre-Olivier | Hall, Jeffrey G. |
| Bellemare, Line | Charron, Paul | Dorner, Kathleen | Hall, John |
| Belleville, Alain | Chartrand, Shirley | Dostaler, Marc | Harrison, Richard |
| Bennasser, Youssef | Châtigny, Guylain | Downey, Dakota | Hayes, Maureen |
| Benoit, Karen | Chow, Gary | Drummond, Ronald | Heaney, Anne |
| Bergeron, Stéphane | Clément, Mélanie | Duckett, Jacqueline | Henry, Michel |
| Bergeron, Stéphanie | Clermont, Steven | Durepos, Carmen | Hetherington, Christopher |
| Bernadin, Wanito | Cloutier, Sylvain | Durocher, Chadwick | Hiard, Benjamin |
| Bertoli, Christian | Collette, Marie-Violaine | Dziwinski, Christopher | Hinchliff-Milne, Jayne |
| Beslic, Branka | Collette, Michel | Eagen, Allison | Hine, Kim |
| Bezada Tapia, Milagros | Comtois, Jean-Gilles | Elias, Daniel | Hon, Ronald |
| Biagé, Michel | Connolly, Sheena | Ella, Catherine | Hoskins, Joseph |
| Bied, Caroline | Conté, Mamadou | Elson, Donald | Hossack, Marielle |
| Bisson, François | Cook, Sandra | Enright, Colin-James | Houle, Michel |
| Bisson, Line | Copelli, Ivana | Esposito, Frank | Hoyt, Christopher |
| Blais, Nathalie | Cordeiro, Magda | Ethier, Annie | Hrnchiar, Janet |
| Blias Cabezas, John | Corriveau, Marc | Evans, Véronique | Huff, Brian |
| Blouin, Jonathan | Corriveau, Maurice | Fares, Tony | Hughes, Isabelle |
| Boileau, Katrine | Cosma, Octavian | Faucher, Louis | Hulan, Paul |
| Booth, Judy | Courtemanche, Nicolas | Feeny, Daniel | Hutchinson, Julia |
| Booth, Michael | Cox, Natalie | Fisher, Susan | Hutchison, Jason |
| Borsboom, Marlene | Crossan, Carole | Fournier, Isabelle | Jacob, Jocelyne |
| Bouchard, Yannick | Currie, Johanna | Fournier, Luc | Jalbert, Céline |

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|-------------------------------|----------------------------|---------------------------|----------------------------|
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