



NATIONAL CAPITAL COMMISSION  
COMMISSION DE LA CAPITALE NATIONALE

**QUARTERLY FINANCIAL REPORT FOR THE SIX MONTHS**

**ENDED SEPTEMBER 30, 2025**

Canada



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## MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

The six months ended September 30, 2025, resulted in a surplus of \$1.6 million. This surplus results primarily from a timing difference between capital parliamentary appropriations received and amortization of tangible capital assets expenditures (\$16.2 million), by higher than planned other revenues (\$1.7 million), and other surpluses (\$0.2 million), partly offset by timing differences in the receipt of operating appropriations (\$16.5 million).

### A. Year-Over-Year Results Analysis

Revenues declined by \$1.5 million, or 5.2% compared to the same period in the previous year, mainly as a result of the following:

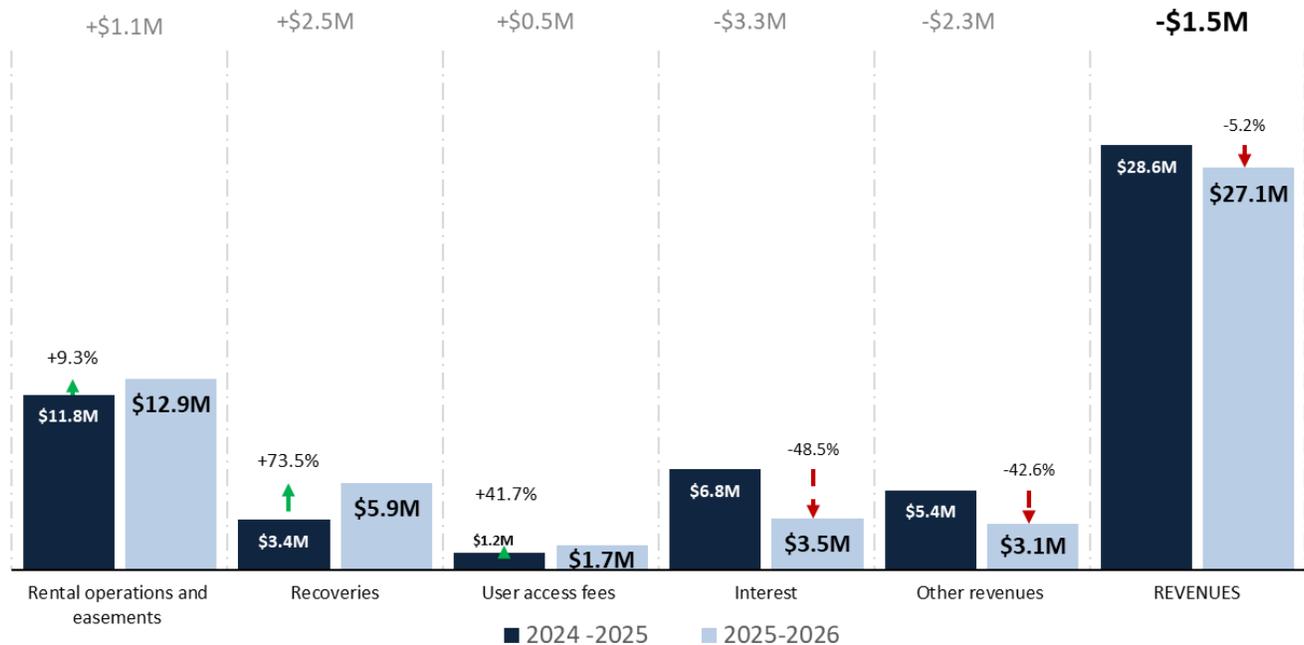
- Interest revenue decreased by 3.3 million, or 48.5% to \$3.5 million; and
- Other revenues decreased by \$2.3 million, or 50.0% to \$3.1 million.

These decreases were offset in part by:

- Recoveries increased by \$2.5 million, or 73.5% to \$5.9 million;
- Rental operations and easements increased by \$1.1 million, or 9.3% to \$12.9 million; and
- User access fees increased by \$0.5 million, or 41.7% to \$1.7 million.

The following chart shows revenue by type compared to the previous year:

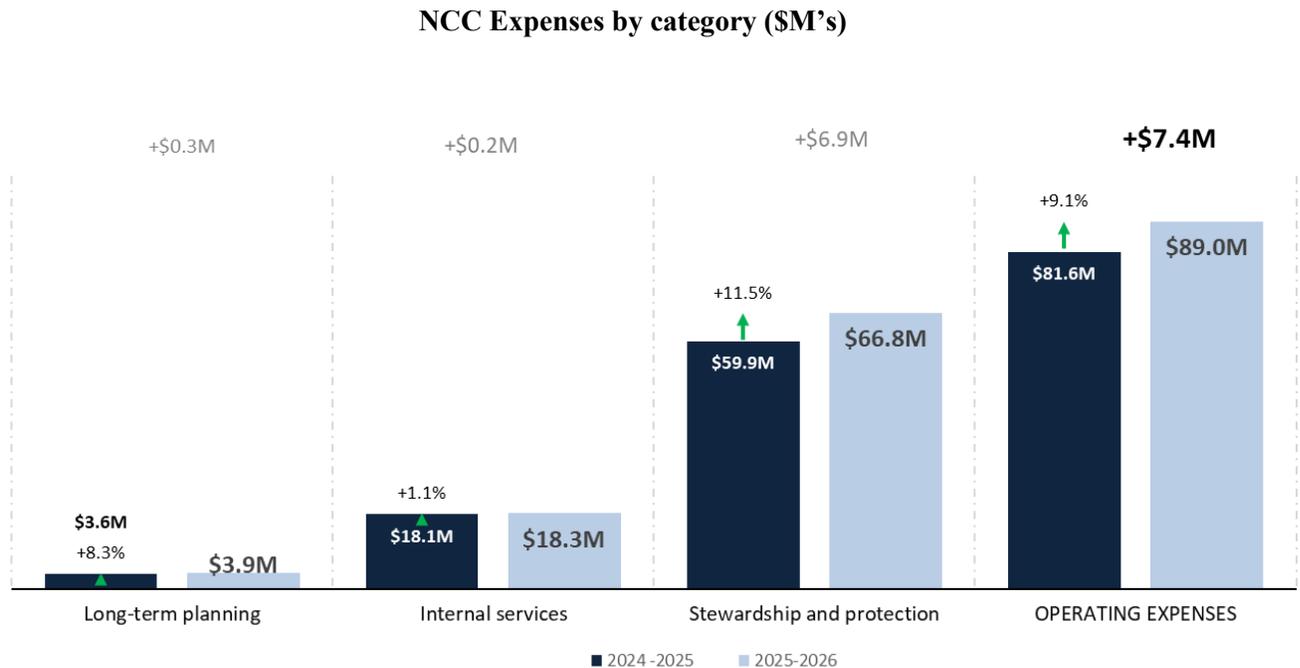
**NCC Revenues by type (\$M's)**



Operating expenses increased by \$7.4 million, or 9.1%, compared to the same period in the previous year. The results by Program were as follows:

- Stewardship and protection increased by \$6.9 million, or 11.5%, to \$66.8 million;
- Long-term planning increased by \$0.3 million, or 8.3% to \$3.9 million; and
- Internal services increased by \$0.2 million, or 1.1%, to \$18.3 million.

The following chart shows expenses by category compared with the previous year:

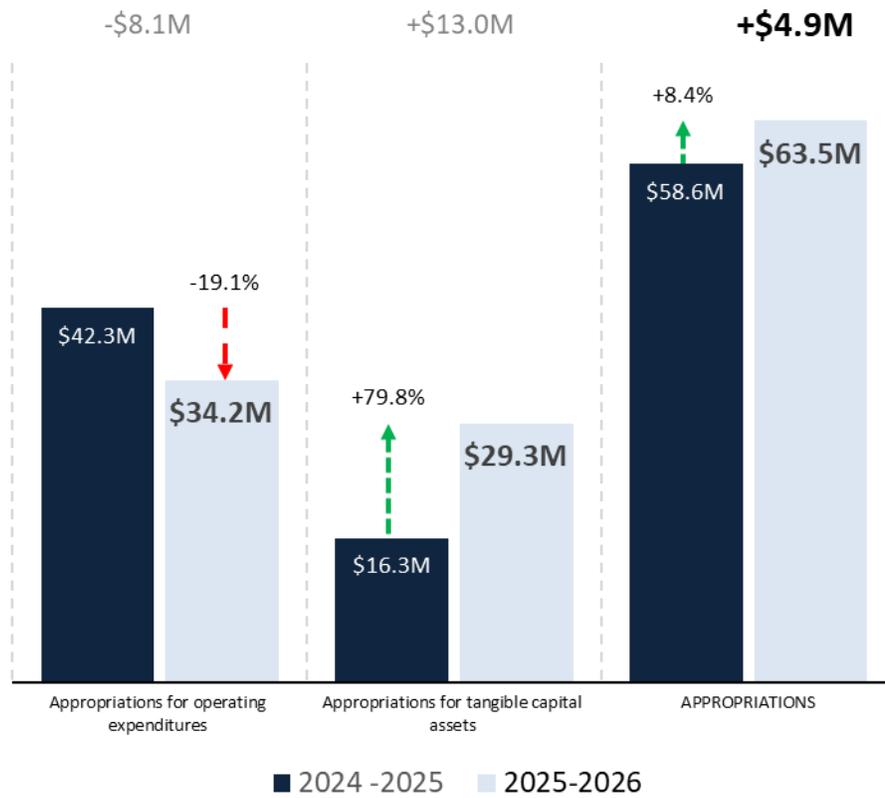


Funding from the Government of Canada through parliamentary appropriations increased by \$4.9 million compared to the same period last year to \$63.5 million. The results by main categories of appropriations were as follows:

- Appropriations for capital expenditures increased by \$13.0 million, or 79.8% to \$29.3 million; and
- Appropriations for operating expenditures decreased by \$8.1 million, or 19.1%, to \$34.2 million.

The following chart shows Appropriations by vote compared to the previous year:

### NCC Appropriations by vote (\$M's)

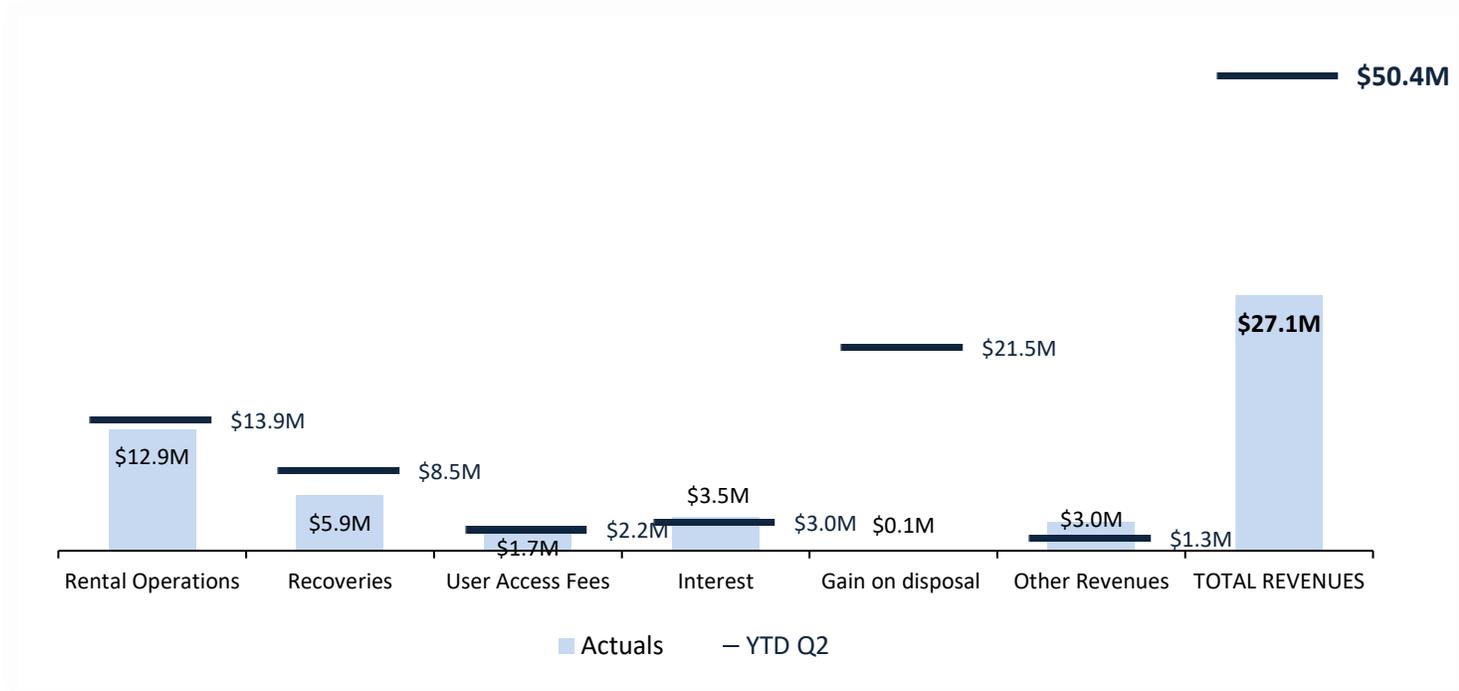


## B. Budgetary Analysis

The budgeted revenue for the 2025–2026 fiscal year incorporates non-recurring items, including contributions and recoveries associated with the Interprovincial Bridges initiatives and commemorative activities. As of the end of the second quarter, \$8.1 million has been recognized, representing 13.2% of the annual allocation for non-recurring revenues.

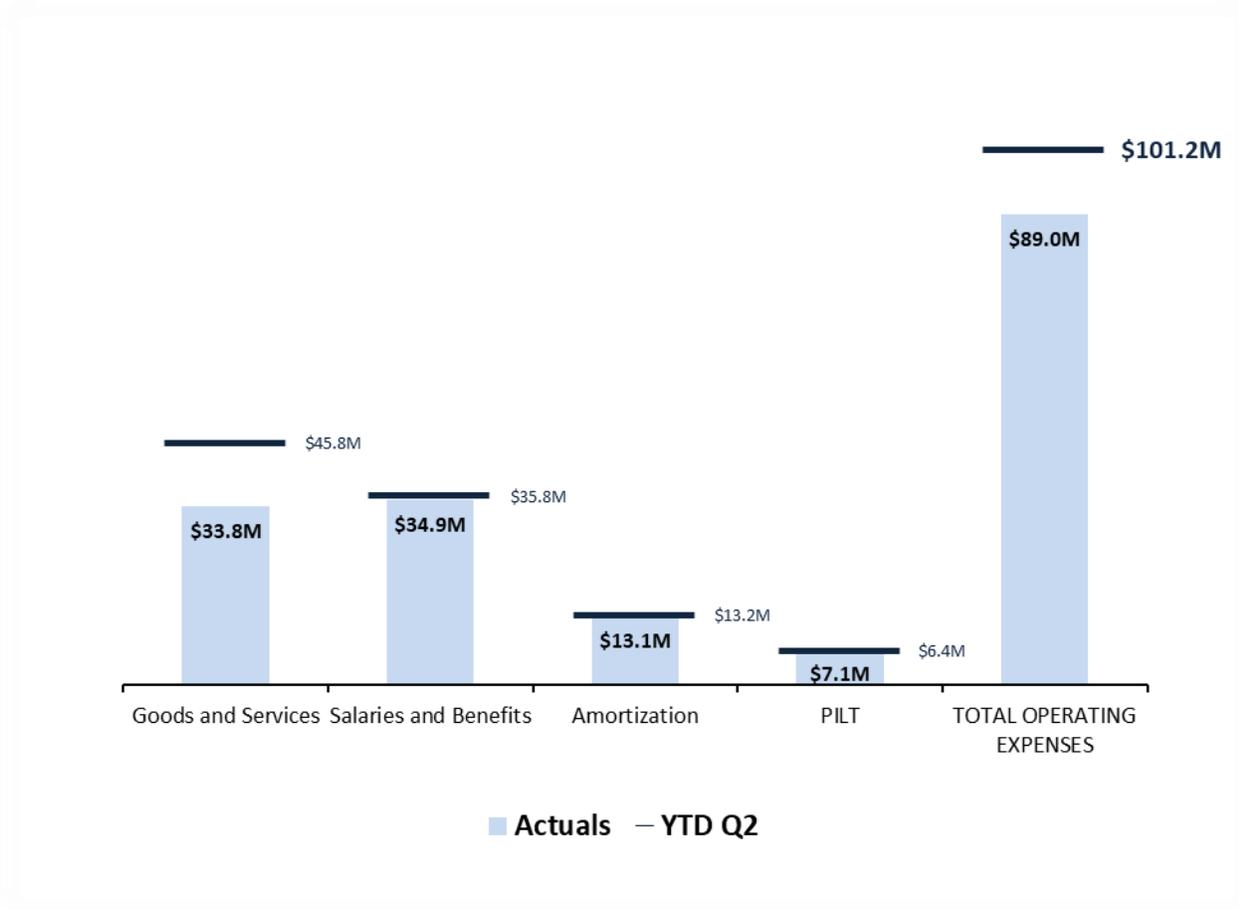
Total cumulative revenues as of September 30th were \$27.1 million, below the budgeted \$50.4 million. Interest revenues are above budget, whereas all other revenues are below the budget.

**Revenues by type (\$M's)**



The following chart provides detailed cumulative operating expenses of \$89.0 million as of the second quarter compared to the budget of \$101.2 million. The variance compared to budget is due primarily to lower than planned Goods and Services (\$12.0 million), salary and benefits (\$0.9 million) and amortization (\$0.1 million), offset in part by higher than planned payments in lieu of taxes (\$0.7 million).

**Operating expenses by object (\$M's)**



### C. Use of Parliamentary Appropriations

The NCC receives its funding from a number of sources: parliamentary appropriations, rental operations and easements, user access fees, cost recoveries, investment revenues, gains on disposal of tangible capital assets and other revenues. The NCC draws down its parliamentary appropriations according to cash flow projections provided to the Minister of Government Transformation, Public Works and Procurement Canada. As the nature of expenditures are not constrained by funding source, direct matching of appropriations received and receivable to specific uses is not applicable.

The NCC recognized \$63.5 million, or 31.4% of its annual budget for appropriations for the period ended September 30, 2025. Parliamentary appropriations drawdowns are based on forecasted cash flow expenditures. The following table illustrates the forecast of the parliamentary appropriations by vote.

**NCC Parliamentary Appropriations by vote (\$000's)**

<b>Vote</b>	<b>Annual Budget</b>	<b>Gov't Apps Recognized</b>	<b>% Recognized</b>	<b>Approved Suppl. Estimates</b>	<b>Forecast to March 2026</b>
Operational vote	97,012	33,251	34.3%	-	63,761
Deferred Appropriations	4,370	919	21.0%	-	3,451
<i>sub-total</i>	101,382	34,170	33.7%	-	67,212
Capital vote	100,253	19,582	19.5%	-	80,671
Deferred Appropriations	572	9,740	1702.8%	-	250
<i>sub-total</i>	100,825	29,322	29.1%	-	80,921
<b>Total</b>	<b>202,207</b>	<b>63,492</b>	<b>31.4%</b>	<b>-</b>	<b>148,133</b>

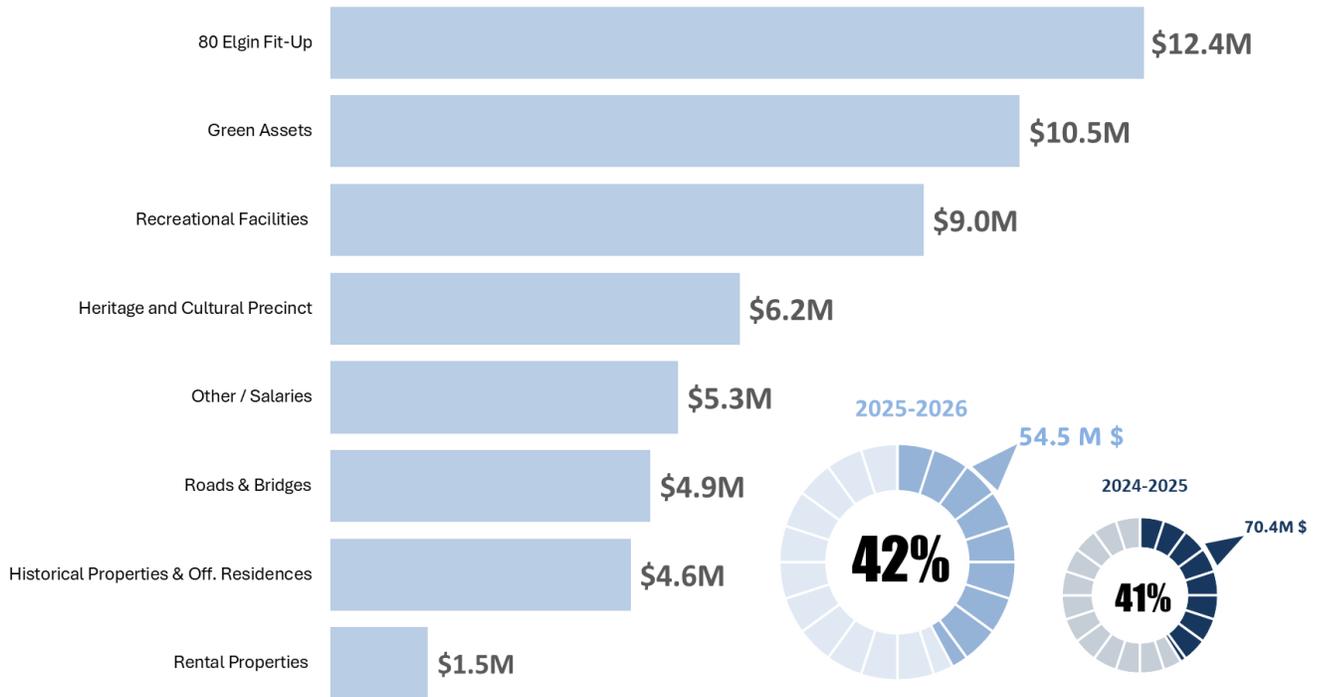
Additional details on the parliamentary appropriations can be found in the NCC's Quarterly Financial Statements of September 30, 2025 (see note 8 of Quarterly Financial Statements).

## D. Capital Expenditure

Investments by main categories of capital expenditures were as follows:

<b>For the six months ended September 30, 2025 (\$000's)</b>	<b>Actuals</b>
<b>Roads &amp; Bridges</b> Portage Bridge	4,885
<b>Historical Properties</b> Official Residences, Clarendon Courtyard	4,582
<b>Rental Properties</b>	1,492
<b>Development Properties</b> LeBreton Flats redevelopment	376
<b>Heritage and Cultural Precinct</b>	6,242
<b>Green Assets</b> South Shore Riverfront Park development, Rideau Canal Lighting System	10,506
<b>Recreational Facilities</b> Philippe Lake Campground	9,046
<b>Equipment</b>	143
<b>Property Acquisition (including Green Fund)</b>	234
<b>80 Elgin Fit Up</b>	12,406
<b>Other</b> Salaries	4,553
<b>2025-2026 Q2 Total Actuals</b>	<b>54,465</b>
<b>2024-2025 Q2 Total Actuals</b>	<b>70,380</b>
<b>Variance</b>	<b>(15,915)</b>
<b>Budget 2025-2026</b>	<b>128,973</b>
<b>% Budget</b>	<b>42%</b>
<b>% Actuals + Commitments</b> (funded from annual budget and carry-overs)	<b>107%</b>

**Investments by main categories of capital expenditures (\$M's)**



**E. Statement of Financial Position Summary**

As of September 30, 2025, financial assets totaled \$198.6 million, representing a decrease of \$23.2 million, or 10.5%, from \$221.8 million as of March 31, 2025. This decline was primarily driven by a \$27.0 million reduction in cash and cash equivalents, partially offset by increases of \$2.3 million in restricted cash and cash equivalents, \$1.3 million in accounts receivable, and \$0.2 million in investments.

Liabilities totalled \$245.9 million as of September 30, 2025, an increase of \$44.3 million or 22.0% from \$201.6 million as of March 31, 2025. This increase is attributable primarily to an increase of \$26.8 million in provision for environmental remediation, \$10.6 million in deferred revenues, \$5.9 million in accounts payable and accrued liabilities, \$1.5 million in other liabilities, partly offset by a decrease of \$0.5 million in employee future benefits.

Non-financial assets totalled \$1,116.9 million as of September 30, 2025, an increase of \$69.1 million or 6.6% from \$1,047.8 million as of March 31, 2025, reflecting mostly increases in tangible capital assets net of amortization as a result of advancement of capital projects funded primarily from Budget 2020 and Fall Economic Statement 2022.

**F. Risks and Mitigation Strategies**

The NCC uses an integrated risk management framework to identify, manage and mitigate its risks, and applies this framework in strategic decision making, operational planning, and project management. Enterprise risk management is integrated into the NCC’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. These key corporate and operational risks are monitored and revisited throughout the year, and their trends, as well as the effectiveness of mitigation measures, are reported to the board of directors each quarter.

On an ongoing basis, the corporation identifies opportunities to enhance its risk management framework and leverage more comprehensive risk information for decision-making, in order to take appropriate actions to implement necessary mitigation strategies and maintain resilience.

## **Key Risks and Mitigation Measures**

As of September 30, 2025, the NCC has identified three key corporate risks that exceed its risk tolerance:

1. Asset Management: Since 2018-2019, the NCC has made significant capital investments to address critical requirements and address the deteriorating condition of its assets, supported by funding provided by the Government of Canada, striving to overcome the impacts of preceding decades of underinvestment. Concurrently, the corporation is implementing measures continuously to improve its processes, systems, and practices in asset management and investment planning. There is a risk that a lack of consistent integration of portfolio planning, resource allocation, and project delivery may limit the NCC's ability to effectively manage risks tied to asset deterioration and to advocate for funding increases.

To mitigate this risk, the NCC will continue to work on assets in need of critical repairs, revitalize and restore them to good condition in accordance with additional appropriations, including measures to augment their resilience to climate change and extreme weather events.

The NCC will leverage new funding to implement an Investment Planning Program that integrates long-term asset management, continue to implement a cyclical asset condition inspection program, continue to maintain data through the lifecycle of an asset, as well as solidify requirements for asset prioritization based on portfolio planning.

The NCC will plan and implement the replacement of the integrated financial and asset management systems to support end users. The Corporation will also establish and implement approaches to mitigate key market factors that drive escalating project costs, including market volatility, labour shortages and trade availability, to ensure overall program costs remain within the limits of existing allocated and earmarked funding.

The NCC will capitalize on repatriation of the commercial real estate portfolio as an opportunity to further integrate portfolio planning, resource allocation, and project delivery across the NCC's inventory of assets. The corporation will continue asset management efforts through the implementation of the accounting standard for the Asset Retirement Obligations Program.

2. Authorities: The NCC's legislated authorities have remained largely unchanged since the corporation's inception in 1959. Shortcomings within these authorities present challenges for the NCC in its efforts to conserve and protect built and natural assets, and to conduct real property transactions in modern terms, in support of its mandate. There is a risk that the corporation's limited legislated authorities may inhibit the delivery of the NCC's mandate and its capacity to influence external actors.

To mitigate this risk, the NCC intends to continue to work with and support government partners in bringing forward solutions to increase the NCC's legislative and regulatory authorities. The corporation will exercise existing authorities to effectively deliver the corporation's mandate within the current legislative framework and in support of government directives.

3. Climate Change: The impact of climate change and related weather events on built and natural assets, operations and programs, and financial and non-financial resources may inhibit the NCC's ability to deliver its mandate.

To mitigate this risk, the NCC delivers on the NCC's Climate Adaptation Plan and develop an Emergency Preparedness Plan to ensure a state of readiness in response to severe weather events. The NCC will also complete the assessment of the Climate-related Financial Risks Disclosure framework; develop and implement a plan to prioritize key actions to integrate climate related risks and opportunities into strategic planning and decision making. Finally, the NCC will assess and determine climate risks and opportunities for projects and operations to support informed and efficient capital investments.

## **G. Significant Changes Related to Operations, Personnel and Programs**

In July 2025, the Government of Canada has launched a Comprehensive Expenditure Review (CER) to meet our commitment to responsible, cost-effective spending that delivers results for Canadians. Federal organizations, including the NCC, are being asked to bring forward ambitious savings proposals to spend less on the day-to-day running of government by targeting programs and activities that are not core to their federal mandate, or not aligned with government priorities.

Through the 2022 Fall Economic Statement, the Government of Canada earmarked considerable additional funding for the NCC to protect heritage assets in the National Capital Region. These funds consist of additional funding over the upcoming years up to 2031-2032 for the recapitalization, as well as for the maintenance and upkeep of capital assets, including the rehabilitation of historically and culturally significant infrastructure.

No other significant changes with regard to NCC operations, personnel or programs occurred during the six-month period ended September 30, 2025.

# Unaudited Financial Statements

## For the six months ended September 30, 2025

### Statement of Management Responsibility

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring that all other information contained in the quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation as at the date of, and for the periods presented in, the quarterly financial statements.



Tobi Nussbaum  
Chief Executive Officer



Tania Kingsberry, CPA, CA  
Vice-President Corporate Services and  
Chief Financial Officer

Ottawa, Canada  
November 25, 2025

**NATIONAL CAPITAL COMMISSION**  
**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
(in thousands of dollars)

	September 30, 2025	March 31, 2025
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	131,562	158,557
Restricted cash and cash equivalents (Note 4)	14,924	12,701
Accounts receivable	20,943	19,590
Investments (Note 3)	31,143	30,992
	<b>198,572</b>	<b>221,840</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	44,523	38,553
Provision for environmental remediation	100,830	74,000
Asset retirement obligations	29,184	29,184
Deferred revenues (Note 5)	45,575	35,046
Employee future benefits	9,863	10,402
Other liabilities	15,879	14,415
	<b>245,854</b>	<b>201,600</b>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<b>(47,282)</b>	<b>20,240</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	1,107,763	1,039,685
Prepaid expenses	4,932	3,878
Other non-financial assets	4,220	4,220
	<b>1,116,915</b>	<b>1,047,783</b>
<b>ACCUMULATED SURPLUS</b>	<b>1,069,633</b>	<b>1,068,023</b>

The notes are an integral part of the financial statements.

Approved by the Board of Directors



Maryse Gaudreault  
Chair, Board of Directors



Tanya Gracie  
Chair, Audit Committee

**NATIONAL CAPITAL COMMISSION**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (UNAUDITED)**

For the six months ended September 30 (in thousands of dollars)

	2025-2026 Annual Budget (Note 2)	Three months ended September 30		Six months ended September 30	
		2025 Actual	2024 Actual	2025 Actual	2024 Actual
<b>REVENUES</b>					
Rental operations and easements	27,715	7,097	6,267	12,872	11,788
Recoveries	17,007	3,055	2,127	5,850	3,412
User access fees	4,426	1,147	736	1,735	1,291
Interest	5,991	1,765	3,148	3,541	6,751
Gain on disposal of tangible capital assets	43,050	(24)	-	84	1
Other revenues	2,581	1,431	3,777	3,029	5,355
	<b>100,770</b>	<b>14,471</b>	<b>16,055</b>	<b>27,111</b>	<b>28,598</b>
<b>EXPENSES (Note 7)</b>					
Long-term planning	17,946	2,163	1,992	3,910	3,600
Stewardship and protection	142,626	34,909	31,814	66,836	59,859
Internal services	41,890	9,206	9,456	18,247	18,109
	<b>202,462</b>	<b>46,278</b>	<b>43,262</b>	<b>88,993</b>	<b>81,568</b>
<b>Deficit before funding from the Government of Canada</b>	<b>(101,692)</b>	<b>(31,807)</b>	<b>(27,207)</b>	<b>(61,882)</b>	<b>(52,970)</b>
<b>Funding from the Government of Canada</b>					
Parliamentary appropriations for operating expenditures (Note 8)	101,382	12,799	24,929	34,170	42,321
Parliamentary appropriations for tangible capital assets (Note 8)	100,825	2,956	10,029	29,322	16,312
	<b>202,207</b>	<b>15,755</b>	<b>34,958</b>	<b>63,492</b>	<b>58,633</b>
<b>Surplus (deficit) for the period</b>	<b>100,515</b>	<b>(16,052)</b>	<b>7,751</b>	<b>1,610</b>	<b>5,663</b>
<b>Accumulated surplus at beginning of the period</b>	<b>1,087,512</b>	<b>1,085,685</b>	<b>1,011,930</b>	<b>1,068,023</b>	<b>1,014,018</b>
<b>Accumulated surplus at end of the period</b>	<b>1,188,027</b>	<b>1,069,633</b>	<b>1,019,681</b>	<b>1,069,633</b>	<b>1,019,681</b>

The notes are an integral part of the financial statements.

**NATIONAL CAPITAL COMMISSION**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT) (UNAUDITED)**  
For the six months ended September 30 (in thousands of dollars)

	2025-2026 Annual budget (Note 2)	2025 Actual	2024 Actual
<b>Surplus for the period</b>	<b>100,515</b>	<b>1,610</b>	<b>5,663</b>
Acquisition and improvements of tangible capital assets (Note 6)	(116,275)	(81,216)	(70,656)
Amortization of tangible capital assets (Note 6)	26,346	13,114	11,148
Gain on disposal of tangible capital assets	(43,050)	(84)	(1)
Loss on disposal of tangible capital assets	-	-	18
Proceeds from disposal of tangible capital assets	61,500	108	1
	<b>(71,479)</b>	<b>(68,078)</b>	<b>(59,490)</b>
Change in prepaid expenses	-	(1,054)	(408)
Change in other non-financial assets	-	-	50
	<b>-</b>	<b>(1,054)</b>	<b>(358)</b>
<b>Decrease in net financial assets</b>	<b>29,036</b>	<b>(67,522)</b>	<b>(54,185)</b>
<b>Net financial assets at beginning of the period</b>	<b>(1,311)</b>	<b>20,240</b>	<b>79,492</b>
<b>Net financial assets (net debt) at end of the period</b>	<b>27,725</b>	<b>(47,282)</b>	<b>25,307</b>

The notes are an integral part of the financial statements.

**NATIONAL CAPITAL COMMISSION**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
For the six months ended September 30 (in thousands of dollars)

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Cash receipts from parliamentary appropriations		
for operating expenditures	48,796	48,066
Cash receipts from rental operations and easements	11,670	12,074
Cash receipts from recoveries, user access fees and other revenues	8,621	7,386
Cash paid to suppliers	(42,559)	(36,134)
Cash paid to employees	(38,003)	(30,805)
Interest received	2,987	4,233
Disbursements related to the management and remediation of sites	(157)	(212)
<b>Cash flows provided (used) by operating activities</b>	<b>(8,645)</b>	<b>4,608</b>
<b>CAPITAL ACTIVITIES</b>		
Cash receipts from parliamentary appropriations		
for tangible capital assets	27,300	15,565
Acquisition and improvements of tangible capital assets	(44,931)	(60,573)
Proceeds from disposal of tangible capital assets	108	1
Cash receipts for future disposal of a land	1,729	91
Disbursements for environmental remediation	(251)	(213)
<b>Cash flows used by capital activities</b>	<b>(16,045)</b>	<b>(45,129)</b>
<b>INVESTING ACTIVITIES</b>		
Cash receipts for Chambers Building Fund	133	185
Disbursements for investments purchased	(896)	(716)
Cash receipts from investment sold	681	544
<b>Cash flows provided (used) by investing activities</b>	<b>(82)</b>	<b>13</b>
<b>Decrease in cash and cash equivalents</b>	<b>(24,772)</b>	<b>(40,508)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>171,258</b>	<b>171,363</b>
<b>Cash and cash equivalents at end of the period</b>	<b>146,486</b>	<b>130,855</b>
<b>Represented by:</b>		
<b>Cash and cash equivalents</b>	<b>131,562</b>	<b>118,315</b>
<b>Restricted cash and cash equivalents</b>	<b>14,924</b>	<b>12,540</b>
	<b>146,486</b>	<b>130,855</b>

The notes are an integral part of the financial statements.

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

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### 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 NCC 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. The NCC has met the requirements of the directive since 2015–2016.

### 2. Significant Accounting Policies

#### 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).

These quarterly financial statements should be read in conjunction with the annual audited financial statements dated March 31, 2025, which detail the applicable accounting policies.

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the most recent annual 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 revenues and expenses for the reporting period. Estimated useful lives of tangible capital assets, provision for environmental remediation, asset retirement obligations, employee future benefits, write-downs of tangible capital assets, the recognition of contingent liabilities, are the most significant items for which estimates are used.

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

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Actual results could differ materially from those management's best estimates.

### Budget Figures

The 2025-2026 budget figures, as presented in the *2025-2026 to 2029-2030 Corporate Plan*, are included, as appropriate, in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets (Net debt).

## 3. Cash and Cash Equivalents and Investments

### A. CASH AND CASH EQUIVALENTS

As at September 30, 2025, cash and cash equivalents include \$131.6 million (\$158.6 million as at March 31, 2025) in cash, invested at a weighted average interest rate of 3.3% (4.7% as at March 31, 2025).

### B. INVESTMENTS

As of September 30, 2025, the investment portfolio includes bonds of provincial governments and guaranteed investment certificates, totalling \$31.1 million (\$31.0 million as of March 31, 2025) invested at a weighted average interest rate of 4.9% (4.9% as at March 31, 2025).

	September 30, 2025		March 31, 2025	
	Amortized Cost	Quoted Market Value	Amortized Cost	Quoted Market Value
Provincial governments	11,143	11,153	10,992	10,974
Guaranteed investment certificates	20,000	20,000	20,000	20,000
	<b>31,143</b>	<b>31,153</b>	<b>30,992</b>	<b>30,974</b>

### C. DESIGNATED FUNDS

As at September 30, 2025, cash and cash equivalents include \$73.3 million (\$76.2 million as at March 31, 2025) in designated funds whose use is internally designated and limited for the sole purpose for which they have been segregated.

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

### 4. Restricted Cash and Cash Equivalents

The restricted cash and cash equivalents are composed of the following:

	September 30, 2025	March 31, 2025
Chambers Building Fund	8,552	8,419
Deposit for future disposal of a land	4,554	2,493
Light Rail Transit	1,818	1,789
	<b>14,924</b>	<b>12,701</b>

#### Chambers Building Fund

As set out in the ground lease for 40 Elgin Street (Chambers Building), this fund administered by the NCC comes from contributions from the former tenant and is intended to fund future capital improvements for this building. A related liability is recorded on the Statement of Financial Position.

### 5. Deferred Revenues

Deferred revenues are composed of the following:

	September 30, 2025	March 31, 2025
Deferred rental revenues	8,187	8,356
Deferred license of occupation revenues	578	1,302
Parliamentary appropriations for various initiatives	11,324	1,320
PSPC contribution to the construction of the new head office	1,139	10,879
Contribution from the City of Ottawa for the development of the south shore riverfront park	896	1,476
Other deferred revenues	23,451	11,713
	<b>45,575</b>	<b>35,046</b>

The deferred rental revenues are primarily the present value of the minimum future lease payments that the NCC has collected under four different land lease agreements. The present value for the current agreements was determined using discount rates of 4.0%, 4.27%, 6.01% and 6.5%. These deferred rental revenues will be recognized as income over the term of the lease agreements, which have different termination dates extending to 2075. During the period, \$0.2 million (\$0.2 million as at September 30, 2024) of deferred rental revenue was recognized as income.

Public Services and Procurement Canada's (PSPC) contribution of \$1.1 million (\$10.9 million as at March 31, 2025) is for renovations to the new NCC head office which should be completed by 2026-2027, and the contribution from the City of Ottawa of \$0.9 million (\$1.5 million as at March 31, 2025) is for the development of the south shore riverfront park in

## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

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connection with the light rail transit project and is recognized based on the completion of the work which are expected to be completed by 2029-2030.

Other deferred revenues consist mainly of parliamentary appropriations received in advance of \$11.3 million (none as at March 31, 2024) for the next period, a contribution by Veterans Affairs Canada of \$3.4 million (\$3.6 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by 2028-2029, a contribution by Global Affairs Canada of \$3.0 million (\$3.7 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by 2026-2027, as well as a contribution from Canadian Heritage of \$1.1 million (\$1.2 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by the end of 2025-2026.

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

### 6. Tangible Capital Assets

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Acquisitions/ Adjustments	Disposals	Closing Balance	Opening Balance	Amortization expense	Disposals / Adjustments	Closing Balance	September 30, 2025	March 31, 2025
Land <sup>1</sup>	388,964	27,422	24	416,362	-	-	-	-	416,362	388,964
Buildings and Infrastructure <sup>2</sup>	1,191,356	53,216	-	1,244,572	548,077	12,578	-	560,655	683,917	643,279
Leasehold improvements	15,360	-	-	15,360	13,072	156	-	13,228	2,132	2,288
Equipment <sup>2</sup>	25,643	578	22	26,199	20,489	380	22	20,847	5,352	5,154
	<b>1,621,323</b>	<b>81,216</b>	<b>46</b>	<b>1,702,493</b>	<b>581,638</b>	<b>13,114</b>	<b>22</b>	<b>594,730</b>	<b>1,107,763</b>	<b>1,039,685</b>

1. The land cost includes \$0.2 million (\$0.2 million as at March 31, 2025) of unsettled expropriation.

2. The total cost of buildings and infrastructure, and equipment include \$176.9 million (\$123.3 million as at March 31, 2025) of construction in progress. When completed, the cost of these projects will be amortized on the basis on their estimated useful life.

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended September 30, 2025 (in thousands of dollars, unless otherwise specified)

### 7. Expenses by Object

The following provides a summary of expenses by object.

	2025-2026 Annual Budget (Note 2)	Three months ended September 30		Six months ended September 30	
		2025 Actual	2024 Actual	2025 Actual	2024 Actual
Goods and services	91,662	17,760	15,020	33,832	28,205
Salaries and employee benefits	71,583	18,112	18,669	34,937	34,882
Amortization	26,346	6,549	5,575	13,114	11,148
Payments in lieu of municipal taxes	12,871	3,857	3,980	7,110	7,315
Loss on disposal of tangible capital assets	-	-	18	-	18
	<b>202,462</b>	<b>46,278</b>	<b>43,262</b>	<b>88,993</b>	<b>81,568</b>

For the period ended September 30, 2025, the value of antiques, works of art and monuments, acquired or built by the NCC totalled \$3.4 million (\$1.6 million as at September 30, 2024). These are recorded as expenses in “Goods and services”.

### 8. Parliamentary Appropriations

	Three months ended September 30		Six months ended September 30	
	2025	2024	2025	2024
<b>Parliamentary appropriations for operating expenditures<sup>1</sup></b>				
Amount received during the period	16,653	29,371	48,796	48,066
Amount received from previous year	-	-	(1,184)	(1,331)
Amount deferred to the next period	(4,623)	(4,737)	(14,361)	(4,737)
Amount deferred from previous year	769	295	919	323
	<b>12,799</b>	<b>24,929</b>	<b>34,170</b>	<b>42,321</b>
<b>Parliamentary appropriations for tangible capital assets<sup>2</sup></b>				
Amount received during the period	6,349	11,166	27,300	15,565
Amount deferred to the next period	(7,718)	(2,563)	(7,718)	(2,563)
Amount deferred from previous year	4,325	1,426	9,740	3,310
	<b>2,956</b>	<b>10,029</b>	<b>29,322</b>	<b>16,312</b>
<b>Parliamentary appropriations approved and recorded during the period</b>	<b>15,755</b>	<b>34,958</b>	<b>63,492</b>	<b>58,633</b>

1. As at September 30, 2025 and 2024, the amounts approved for the years ending March 31, 2026 and 2025 totalled \$96.0 million and \$69.5 million, respectively.

2. As at September 30, 2025 and 2024, the amounts approved for the years ending March 31, 2026 and 2025 totalled \$83.8 million and \$25.3 million, respectively.

### 9. Comparative Figures

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