

going out

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the NCC

ONE CAPITAL, FOUR OBJECTIVES

The NCC's overarching goal is to ensure that Canada's Capital Region is a source of national pride and significance.

ANIMATING AND PROMOTING THE CAPITAL

Connecting Canadians to their capital through events, programs and celebrations.



CANADA DAY IN THE CAPITAL

CAPITAL PLANNING, DESIGN AND LAND USE

Ensuring that federal lands are used in ways that suit the role and significance of a national capital.



CORE AREA PLANNING

REAL ASSET MANAGEMENT AND STEWARDSHIP

Enriching visitors' and residents' experiences of Canada's Capital Region by caring for its assets and resources.



GATINEAU PARK

CORPORATE SERVICES

Supporting the operations of the NCC as an efficient, effective and strategic Crown corporation.



WINTERLUDE



CONFEDERATION SQUARE



GREENBELT PLANNING



INTERPROVINCIAL TRANSPORTATION PLANNING



BIKE PATHS



RIDEAU HALL

message from the Chief Executive Officer

For Canadians and visitors from other countries, Canada's Capital Region has always been associated with the idea of "going out" — joining a crowd on Parliament Hill for special events such as Canada Day, exploring heritage sites and the outdoors by skating on the Rideau Canal, or hiking in Gatineau Park.

It means those same things to us at the National Capital Commission (NCC) — and much more as well. "Going out," for the NCC, is being open and transparent. It's about communicating and consulting with local residents and citizens from coast to coast to coast, to gather their visions for the Capital. It involves collaboration and partnership among a wide range of stakeholders to create the kind of Capital experience Canadians deserve.

The importance of partnership is amplified in times of economic restraint. To continue to host world-class events such as Winterlude, the NCC must adopt new approaches, and share the roles of planning and delivery with other organizations. In everything we do, we now look for opportunities to work with the public, municipalities, other stakeholders, and private and federal partners whose mandates intersect with ours.

Last year, we held a total of 50 consultations and meetings with the public on issues ranging from Greenbelt planning to interprovincial crossings. We engaged with 13 municipalities in Canada's Capital Region on topics such as stewardship of the Ottawa River, the biodiversity of Gatineau Park and sustainable interprovincial transportation. I continued my participation in tripartite round tables with the mayors of Ottawa and Gatineau.

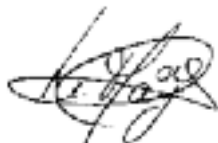


Public outreach remained a key focus for us as well. Our “Doors Open” weekend in June 2009 attracted 1,200 visitors to our headquarters on Elgin Street. That event will be repeated in 2010. The NCC’s “Raise Your Voices!” National Student Banner Contest, which invited students across the country to create artworks depicting issues that are important to them, drew more than 800 submissions. And we continued throughout the year to explore new ways of connecting more meaningfully with youth through social media.

All of this going out requires time, energy and, often, new ways of doing what we do. I commend NCC employees for their commitment and enthusiasm, and am pleased that the results of their efforts are beginning to materialize, especially in terms of feedback from our partners and stakeholders.

Looking ahead, we will continue our work to “green” the Capital — with plans to make our Canada Day and Winterlude celebrations carbon neutral in 2010 and 2012, respectively. And we are ready to embark on the major initiative of reviewing the 50-year Plan for Canada’s Capital.

Furthermore, Canada is now just seven years away from the 150th anniversary of Confederation. The NCC is already considering how to observe that historic occasion — and to seize on it as an opportunity to build awareness and understanding of the Capital and its value for Canadians. We also look forward to this milestone as an occasion to work together with federal institutions, and public and private partners — in other words, as yet another opportunity for “going out” — for us and for all Canadians.

A handwritten signature in black ink, appearing to read 'Marie Lemay', with a stylized flourish at the end.

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

the significance of a capital

A national capital is more than a place
on a map.

It is an emblem of our country to
the world — the home of the nation's
government and a hub of international
diplomacy. It is an urban centre and
residential community, a destination,
a site of celebration and commemoration.

A capital is a unique environment,
a place of history and heritage.

It is our past — and our future.

For 51 years, the National Capital Commission has overseen the growth, development and care of Canada's Capital Region. Today more than ever, that mandate demands collective effort — collaboration and cooperation, the sharing of perspectives and resources.

In 2009–2010, the NCC sought the input and support of partners more actively than ever before, reaching out to and engaging with the citizens, governments and other organizations touched by the Capital in its many roles.

This annual report tells the story of that shift and its impact, both within the NCC and among the Capital's national community of stakeholders.

going out



going out to celebrate

Last year, the NCC's Olympic-inspired simulation of skating the Rideau Canal was one of the hottest exhibits in the travelling Canada Pavilion, hosted by Public Works and Government Services Canada.

Every year, the NCC animates and promotes the Capital by hosting high-profile events and celebrations attended by visitors from across the country and around the world.

In 2009–2010, the NCC took the Capital to Canadians as part of the Canada Pavilion — an interactive showcase presented by federal partners that reached 185,000 people in six communities across the country. With the 2010 Vancouver Olympic Winter Games as the Pavilion's theme, one of the main attractions was the NCC's simulation of skating on the Rideau Canal.

The NCC helped bring Olympic excitement to Canada's Capital Region, partnering with Canadian Heritage to welcome the Olympic Torch Relay to Parliament Hill. That event, which coincided with the kickoff of the Capital's 25th annual Christmas Lights Across Canada program, set an Olympic Torch Relay attendance record with its crowd of 23,000.

STAR-STUDDED AND SPECTACULAR

The Capital hosted some of the biggest names in Canadian cinema in April 2009, partnering with the Academy of Canadian Cinema & Television to stage the 29th annual Genie Awards. Sarah Polley, Gordon Pinsent and George Stroumboulopoulos were among those in the red-carpet crowd at the Canada Aviation Museum, where the NCC applied its expertise in sound-and-light shows to project Canadian films, drive-in style, on the exterior walls of the museum's massive hangar.

STORIES IN SOUND AND LIGHT

Canadians routinely enjoy the NCC's sound-and-light specialization during summer evenings on Parliament Hill. Each year, the corporation mounts an immersive spectacle, with massive projections playing across the face of the Parliament Buildings. The popular *Canada: The Spirit of a Country* showed for its final year in 2009. Over the course of 2009–2010, the NCC developed an all-new show, utilizing the latest technology. *Mosaika* is set to debut in July 2010, and will run for five years.

THE SKATEWAY AT 40

Last winter, the Rideau Canal Skateway celebrated its 40th anniversary. The NCC marked the occasion by creating a graffiti-art gallery at Dows Lake — a small human-made lake on the Rideau Canal in the middle of Ottawa — featuring young local artists' visions of the world's largest skating rink.



WHAT IS A CAPITAL?

An emblem of our country to the world, a site of celebration and commemoration.



Every year, 7 million visitors from across Canada and around the world come to Canada's Capital Region — as tourists, or to participate in the more than 50 events and festivals that the NCC delivers directly, with sponsors and partners, or supports, through an event permit program where land and equipment can be rented.



going out to partner

Veterans Affairs Canada and the NCC partnered last spring to remember the historic battle of Vimy Ridge and acknowledge the passing of Canada's last surviving First World War veteran.

By partnering with federal departments, municipalities, local institutions, businesses and citizens' groups, the NCC achieves more with its resources and delivers a richer "Capital" experience.

The Capital provides a place for Canadians to come together and commemorate significant national milestones — such as the passing in February 2010 of John Babcock, the country's last living First World War veteran. Partnering with Veterans Affairs Canada, the NCC created banners and interpretive panels to support a special ceremony remembering Babcock and the hundreds of thousands of other Canadians who fought for their country in the First World War. The ceremony was held in April 2010 at Ottawa's National War Memorial on the anniversary of the battle of Vimy Ridge.

A NEW WINTERLUDE PARTNER ON BOARD

Winterlude is a much-anticipated annual event in Canada's Capital Region — and a costly one to deliver. To maximize its own investments, the NCC expanded its base of Winterlude partners and sponsors in 2009–2010. The Canadian Museum of Civilization joined the festivities last year as co-host of the successful kickoff celebrations, which were attended by more than 25,000 people. Corporate partners play an increasingly important role in Winterlude as well, and were central to last year's event, with sponsorships provided by companies such as American Express and Rogers. Sun Life Financial also extended its Winterlude commitment for another two years.

IMPROVING TRANSIT IN THE CORE

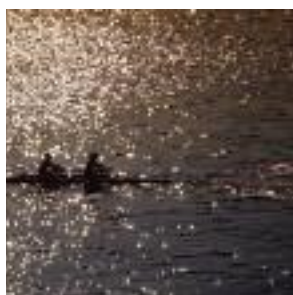
The NCC deals with numerous issues that affect daily life in Canada's Capital Region. In 2009–2010, it led a study of potential improvements to the integration of interprovincial transit in the urban cores of Ottawa and Gatineau. As part of its work, the NCC facilitated discussions between the cities' respective transit authorities, OC Transpo and STO (Société de transport de l'Outaouais), and, together, they are identifying opportunities to improve the movement of people around the region.

PROTECTING THE OTTAWA RIVER TOGETHER

In June 2009, the NCC and the cities of Ottawa and Gatineau committed to improve the ways they work together as stewards of the Ottawa River. The NCC began building on that commitment during the year by planning — in partnership with the non-profit advocacy group Ottawa Riverkeeper — a one-day summit on river-related issues to be attended by First Nations leaders, elected officials and municipal staff from Ontario and Quebec. The summit will be held in August 2010.

REDEVELOPING LANSDOWNE

The plan to redevelop Lansdowne Park remained a front-page issue in Canada's Capital Region last year. The NCC continued to collaborate with the City of Ottawa in planning Lansdowne's urban park (adjacent to the Queen Elizabeth Driveway and the Rideau Canal Corridor). Planning was undertaken with the full involvement of Parks Canada, the general public and interested stakeholders, and in consideration of Lansdowne's proximity to the Rideau Canal, which is a UNESCO (United Nations Educational, Scientific and Cultural Organization) World Heritage Site.



WHAT IS A CAPITAL?

A unique environment, urban centre and residential community.

Encompassing 13 municipalities with a total population of more than 1.13 million, Canada's Capital Region is a place where people live and work, raise families and enjoy recreation.



going out, going green

The NCC expanded its holdings within Gatineau Park in 2009–2010, acquiring an additional 103 hectares of private land.

The NCC is working to build a greener capital through conservation measures, sustainability initiatives and environmentally minded long-term planning.

Gatineau Park is one of the jewels of Canada's Capital Region, encompassing more than 360 square kilometres of forests, lakes and escarpments. Last year, the NCC purchased 103 hectares of previously private land within the Park, bringing its total holdings to 29,400 hectares. The corporation also approved a long-term ecosystem conservation plan that extends the vision for the Park to 2035, concluding three years of research and consultation.

Gatineau Park boasts a unique microclimate and is home to thousands of species, some unique to the Park itself. To improve understanding of the Park and its needs, the NCC co-hosted a "BioBlitz" with ACRE (Action Chelsea for the Respect of the Environment), gathering researchers from a wide range of disciplines to inventory the Park's plant, insect and animal life.

ROLLING OUT AN NCC-WIDE ENVIRONMENTAL STRATEGY

The NCC implemented an organization-wide environmental strategy last year, building environmental considerations into all of its core functions. The strategy identifies measurable goals for reducing waste, fostering biodiversity, preventing pollution, demonstrating leadership in environmental practices and combatting climate change.

SHARED BIKES, SUSTAINABLE TRANSPORTATION

One of the ways the NCC seeks to protect the environment is by promoting sustainable transportation in Canada's Capital Region. Last year, the corporation conducted a bike share feasibility study in Ottawa and Gatineau, setting up bike-lending stations in both cities. Riders made more than 5,000 trips in and around the Capital over the course of four months, prompting the NCC to partner with the cities of Ottawa and Gatineau to offer a full-scale bike share service as early as summer 2011. The corporation is also planning a trip to Copenhagen's Velo-City Global conference in June 2010. Chief Executive Officer (CEO) Marie Lemay and representatives from the cities of Ottawa and Gatineau will attend the international cycling forum as part of a joint fact-finding venture.

ENVIRONMENTAL RECLAMATION ON RIDGE ROAD

The NCC devised an innovative solution to an environmental challenge on Ottawa's Ridge Road in 2009–2010. When concerns were raised about contamination from a landfill site leaching into the water table, the corporation built an artificial wetland on the affected area. The wetland vegetation naturally filters pollutants out of the water — and, as an added benefit, provides a new home for local species.



WHAT IS A CAPITAL?

A capital is rich with opportunities for exploration and discovery.



Much of the 47,300 hectares of land held by the NCC in Canada's Capital Region encompasses parks, paths and public spaces that draw thousands of cyclists, hikers, skiers and Sunday afternoon strollers every year. Tending to those lands are teams of specialists, including arborists, horticulturalists, grounds-keepers, and construction and maintenance crews.



going out to consult

The NCC held 30 public consultations and 20 public meetings in 2009–2010. Hundreds of community members took part when the corporation went out to gather ideas about the future of the Capital's 20,000-hectare Greenbelt.

Because the Capital belongs to all Canadians,
the NCC is committed to ensuring that the public helps
shape the plans and vision that will define its future.

To develop the Capital's Greenbelt Master Plan, the NCC held a series of 10 public consultations in 2009–2010, actively engaging with more than 270 residents, as well as partners and a wide range of stakeholder groups. The process included online surveys, public meetings with NCC staff and a National Visioning Forum, which was also attended by representatives from Australia, the United Kingdom and the United States — all of whom shared their experiences and understanding of international best practices. The consultations produced a set of common priorities to form the basis of a modern Greenbelt vision: ensuring ecological connectivity, citizen participation, sustainable agriculture and partnership, and showcasing environmental best practices.

DEVELOPING A LONG-TERM VIEW

The NCC began to prepare for national public consultations on the Plan for Canada's Capital last year. That plan — taking a 50-year look into the region's future — will be informed by *Choosing Our Future*, a joint planning initiative of the NCC, City of Ottawa and Ville de Gatineau on which consultations continued in 2009–2010. The aim of *Choosing Our Future* is to ensure the preparedness of Canada's Capital Region to deal with the ongoing effects of climate change, global economics, technological advancement and other significant issues.

COLOURING THE CAPITAL

In 2009–2010, the NCC unveiled a Floral Vision for the Capital: a 20-year outlook based on public consultations and input from landscape architects. Its aim is to beautify the region with flowers, and make it a destination for tourists interested in public gardens. The NCC's request for flowerbed designs in 2009 was answered by many, including the Girl Guides of Canada. Ten-year-old Avya Stolow of the 12th Ottawa Guiding Unit came up with the winning floral design, which will be brought to life by NCC gardeners in Wellington Park, in summer 2010.

PUBLIC ART BY PUBLIC CONSENT

Last year, the NCC re-examined its public art program, and began developing a strategic plan to guide future public art initiatives. This was done with the recognition that, today, public art helps create distinctive cityscapes. It is an important component of cultural tourism that enriches the quality, character and experience of public places. Research and both internal and external consultations were carried out last year to shape the corporation's public art plan.



Yukon Territory, Ted Harrison, 1992

WHAT IS A CAPITAL?

*A place of history
and heritage.*

Canada's Capital Region is rich in heritage and history. Managing more than 50 designated federal heritage buildings, as well as a number of significant cultural landscapes and archaeological sites, the NCC actively protects, displays and interprets the Capital's cultural resources — helping to ensure that future generations will also have an opportunity to enjoy a direct connection to the country's past.



corporate social responsibility: highlights

The NCC's commitments to sustainable land use, greening the Capital and engaging stakeholders in the decisions that affect them are all expressions of corporate social responsibility. The NCC is equally committed to ensuring that its internal operations reflect similar values, and it demonstrated that commitment in several ways over the course of the past fiscal year.

EFFICIENCY

Working smarter, achieving more

Changes in the NCC's multi-year approach to construction planning helped the corporation manage a growing volume of capital projects in 2009–2010. Representing the NCC's commitment to continually refining and streamlining its business processes, the Multi-Year Capital Program takes a five-year view, and sets commitments two years in advance, providing stability and predictability for longer-term workflow and resource allocation. The new approach is working, enabling the NCC to deliver a record dollar volume of projects in 2009–2010 (\$30.7 million) versus \$12.8 million in 2008–2009.

ENGAGEMENT

Capitalizing on employees' good thinking

The corporation maintained a direct connection between the CEO and staff through its intranet-based "CEO Corner" and by hosting in-person "Meet the CEO" sessions with small groups of employees. Employee suggestions have yielded material improvements for the organization, including the introduction of electronic pay slips and changes to the NCC's insurance coverage. The latter allows contractors to accompany staff in NCC vehicles to work sites throughout Canada's Capital Region.

ACCESSIBILITY

Guidelines for creating accessible spaces

The NCC is committed to ensuring that the Capital's public spaces are accessible to all Canadians. Last year, it compiled and published a draft manual of guidelines and best practices that will be used by partners and the public to create universally accessible outdoor facilities.

COMMUNICATION

Achieving alignment through knowledge sharing

Following a third-party evaluation, the NCC developed and received approval last winter from its board of directors for new federal land use processes. Once approval for these processes was received, the corporation immediately began work on making them available to all interested parties in an online format.

SUSTAINABILITY

Taking action for the environment

In keeping with its environmental strategy, launched in 2009–2010, the NCC initiated several steps to improve its environmental performance. It conducted an energy conservation study of its entire portfolio of commercial properties, and maintained its practice of "green demolition." This practice ensures that materials from demolished sites are reused or recycled, diverting a significant volume of waste from landfills. Last year's green demolition projects included eight residential units, three garages, three sheds and four land reinstatements. The NCC also gathered environmental baseline data against which to measure its goal of achieving carbon neutrality for Winterlude and the Rideau Canal Skateway in 2011–2012, and for the Capital's Canada Day celebrations in 2010.

COMMUNITY

Partnering for people

The NCC strives to be a leader among federal government organizations in its contributions to the annual Government of Canada Workplace Charitable Campaign — a charitable giving program that allows federal public servants to support registered Canadian charities, including local chapters of United Way / Centraide. NCC vice-president of marketing and communications, Guy Laflamme, received a Community Builder Award in November 2009 for his work to connect NCC employees with the impact of their contributions, by showing the differences made in recipients' lives. Also last year, the NCC continued its collaboration with The Salvation Army to help homeless persons staying on NCC lands to find safe and appropriate shelter.

message from the Chair

The NCC's Board of Directors had another active year in 2009–2010. We continued to hold open meetings as part of our commitment to transparency and good governance. In keeping with the theme of “going out,” the entire Board visited east-end sites under consideration as potential locations for a new interprovincial crossing, gaining an on-the-ground sense of the communities involved and the potential impacts on them.

Also last year, we reviewed the first annual report from the ombudsman's office, which was established in 2008–2009 to provide members of the public with independent recourse when issues arise over NCC decisions that cannot be solved through traditional channels. And we undertook a self-evaluation, as well as an evaluation by management — best practices that the Board intends to repeat on a yearly basis. The results of both were positive.

At its annual planning session (held in September 2009), the Board engaged in strategic direction setting and shared its thoughts with management to inform the NCC's planning processes. Also in 2009–2010, the Board began to review the role played by the NCC's three advisory committees — planning, design and realty; official residences; and communications, marketing and programming — to ensure the clear delineation of their responsibilities.



Looking ahead, the Board is eager for the passage of the new *National Capital Act*, Bill C-20, which was tabled in Parliament on April 30, 2010. That legislation will increase the NCC's transparency and openness. Today, NCC land purchases and sales over specified values require the approval of Treasury Board, making them subject to Cabinet confidence. As a result, Board discussions of such transactions must be held in camera. This will change under Bill C-20, allowing a greater proportion of routine individual transactions to be discussed and decided on in public.

On the horizon is the review of the 50-year Plan for Canada's Capital. The Board heard from management throughout the past fiscal year about its preparations to consult on this long-term vision document, and will be actively involved in the planning process over the year to come.

I would like to close by acknowledging the service of former Board member Martin Cohos, who stepped down in 2009–2010. I welcome his successor, Peter Burgener, a fellow Calgary architect.

My colleagues on the Board and I look forward to the changes our new legislation will bring if passed, and to continuing to refine and enhance the NCC's governance practices.

A handwritten signature in black ink, appearing to read 'Russell Mills', with a stylized, cursive script.

Russell Mills,
Chair

governance

PUBLIC ACCOUNTABILITY

The NCC is accountable to the Canadian people through Parliament and two ministers: the Minister of Transport, Infrastructure and Communities and the Minister of Foreign Affairs, who is the assigned Minister of State (National Capital Commission).

The government sets policies and priorities for the NCC that reflect the interests of Canadians. Those policies and priorities guide the actions of the board of directors, and inform the development of the NCC's annual corporate plan. The NCC reports on its performance through a summary of the corporate plan and an annual report tabled each year in Parliament.

OBJECTIVE ARM'S-LENGTH ASSESSMENT

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

BOARD OF DIRECTORS

STRUCTURE AND PERFORMANCE

The NCC is a federal Crown corporation led by a 15-member board of directors, who represent a geographical cross-section of the country. The board is responsible for high-level oversight of the corporation and for providing strategic direction. In addition to safeguarding corporate resources and ensuring their effective and efficient use, the board fosters relationships between the NCC and other levels of government, as well as with the public. It also monitors, evaluates and reports on performance, and receives advice from corporate and advisory committees. The organizational chart on page 23 illustrates the relationship between the board and its committees. For a list of advisory committees and members, refer to Appendix I.

ACCOMPLISHMENTS

The Board of Directors held four combined public and in camera meetings during the 2009–2010 fiscal year, as well as six ad hoc conference calls, four of which, owing to the subject matter, were in camera, and two of which were webcast to make them open to the public. The Board also hosted its annual general meeting with the public, and a meeting for local interest groups.

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

- detailed designs for the Ottawa Convention Centre expansion project
- the rehabilitation of the Rideau Hall ceremonial greenhouses
- improvements to the Federal Land Use, Design and Land Transaction Approval process
- the acquisition of approximately 103 hectares in Gatineau Park (residential, vacant and large, developable properties)
- various commemorations and monuments
- a generic NCC director profile.

ORIENTATION

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

PERFORMANCE EVALUATION

In keeping with best practices for boards and governance, the NCC's Board of Directors conducted a self-evaluation in 2009 that covered day-to-day considerations such as the Board's access to the information that it needs and the quality of its discussions. The results were very positive. The NCC's executive management team also evaluated the Board — at the Board's request — and found its performance to be strong as well. The Board intends to conduct similar evaluations on an annual basis.

INDEPENDENCE

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

NCC OMBUDSMAN

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

The ombudsman prepares and submits a public annual report to the chair of the NCC's board of directors, taking the opportunity, if desired, to outline cases or recommendations made.

NCC BOARD OF DIRECTORS AND COMMITTEES AS AT MARCH 31, 2010

COMMITTEES

A number of committees support the board of directors, including board committees and advisory and special committees.

BOARD COMMITTEES

Executive Committee While the board of directors can delegate certain powers and functions to its Executive Committee, it chose not to do so last year. As a result, the Executive Committee held no meetings.

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

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

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

ADVISORY AND SPECIAL COMMITTEES

The NCC recruits recognized experts from Canada's professional, academic and business communities to sit on advisory committees and provide technical guidance to the NCC and other federal and private sector organizations in Canada's Capital Region. The following committees provide national perspective and professional breadth. (*See Appendix I for a list of committee members.*)

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

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

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

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

MANAGEMENT RELATIONSHIP

Board members are provided with a CEO's activity report, which highlights ongoing issues and new projects at the start of each board meeting. The board of directors participates fully in strategic planning for the NCC, conducting its own annual strategic planning session with senior executives and providing direction for the future year's corporate plan. The board also reviews performance against the corporate plan three times a year, and approves the corporate plan and annual report before they are submitted to the Minister of Transport, Infrastructure and Communities.



Front row (from left to right)

Frieda Martselos Fort Smith, Northwest Territories June 9, 2005 to March 25, 2013 1 3	Russell Mills Ottawa, Ontario Chair April 30, 2007 to April 29, 2012 A B C 1 2 3	Jacquelin Holzman Ottawa, Ontario November 15, 2007 to November 14, 2013 3	Marie Lemay Chelsea, Quebec Chief Executive Officer January 7, 2008 to January 6, 2013 A B C 1
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Back row (from left to right)

Jason M. Sordi Richmond Hill, Ontario April 30, 2007 to April 29, 2014 1 2 3	Adel A. Ayad Ottawa, Ontario November 15, 2007 to November 14, 2011 B 2	Robert Tennant Ottawa, Ontario March 5, 2007 to March 4, 2014 3	André Rioux Sept-Îles, Quebec June 18, 2008 to June 17, 2012 2
Peter Burgener Calgary, Alberta June 19, 2009 to June 18, 2013 B	Eric D. MacKenzie Fredericton, New Brunswick March 5, 2007 to March 4, 2014 A 1	Richard N. Aubry Williamstown, Ontario July 30, 2008 to July 29, 2012 C	Richard P. Jennings Gatineau, Quebec December 3, 2007 to December 2, 2013 2



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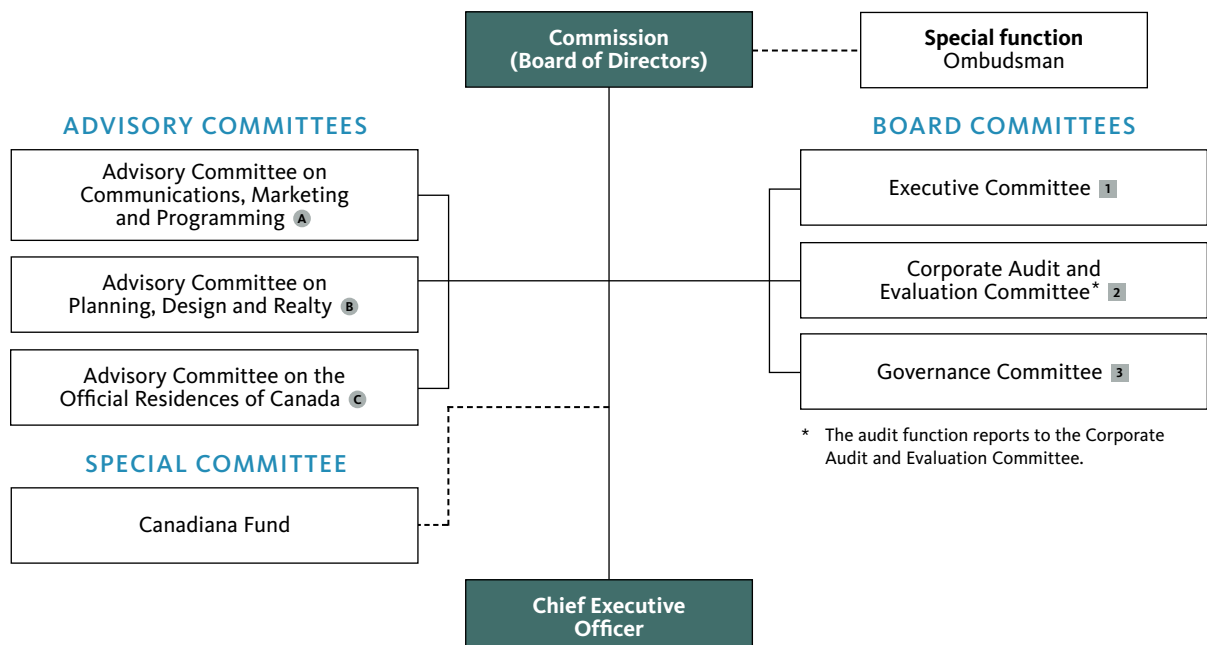
Hélène Grand-Maître
Gatineau, Quebec
April 1, 2007 to
March 31, 2011
A 2



Brent Stefanson
Winnipeg, Manitoba
August 29, 2008 to
August 28, 2012
3



Kory Bobrow
Beaconsfield, Quebec
October 11, 2007 to
October 10, 2011
2



REMUNERATION

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

The remuneration of the chair follows the government's Remuneration Guidelines for Part-Time Governor in Council Appointees in Crown Corporations (effective October 1, 2000). The chair receives an annual retainer of between \$8,000 and \$9,400 and a per diem of \$375 for attending meetings of the board and its committees, and for certain special executive, analytical or representational responsibilities approved by the board of directors.

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

BOARD OF DIRECTORS REMUNERATION

Earned from April 1, 2009 to March 31, 2010¹

	Retainer ¹	Per Diems ^{1,2,5}	For Travel ^{2,3}	Total	Attendance						
Commission Members	\$ (A)	\$ (B)	\$ (C)	\$ (A+B+C)	Board Meetings ⁴ (11.5 days)	Committee Meetings ³					
						EC (0 days)	CAEC (1.5 days)	GC (1 day)	ACPDR (9 days)	ACCMAP (4.5 days)	ACORC (3 days)
					Richard N. Aubry	4,000	3,188	213	7,401	10 of 11.5	—
Adel A. Ayad	4,000	6,563	—	10,563	9.5 of 11.5	—	1.5 of 1.5	—	9 of 9	—	—
Kory Bobrow	4,000	2,438	398	6,836	9.5 of 11.5	—	1 of 1.5	—	—	—	—
Peter Burgener	2,446	2,625	1,403	6,474	4.5 of 5.5	—	—	—	2.5 of 4.5	—	—
Hélène Grand-Maitre	4,000	3,750	1,203	8,953	10.5 of 11.5	—	1.5 of 1.5	—	—	3.5 of 4.5	—
Jacquelin Holzman	4,000	3,000	—	7,000	11 of 11.5	—	—	1 of 1	—	—	—
Richard P. Jennings	4,000	3,188	—	7,188	11.5 of 11.5	—	1.5 of 1.5	—	—	—	—
Eric D. MacKenzie	4,000	3,563	2,625	10,188	11.5 of 11.5	—	—	—	—	4.5 of 4.5	—
Frieda Martselos	4,000	2,063	1,125	7,188	5.5 of 11.5	—	—	1 of 1	—	—	—
Russell Mills	9,400	36,563	—	45,963	11.0 of 11.5	—	.5 of 1.5	1 of 1	6 of 9	2.5 of 4.5	0.5 of 3
André Rioux	4,000	2,625	2,203	8,828	10 of 11.5	—	1.5 of 1.5	—	—	—	—
Jason M. Sordi	6,000	3,563	1,242	10,805	11 of 11.5	—	1.5 of 1.5	1 of 1	—	—	—
Brent Stefanson	4,000	2,625	672	7,297	10 of 11.5	—	—	.5 of 1	—	—	—
Robert Tennant	4,000	3,000	—	7,000	11 of 11.5	—	—	1 of 1	—	—	—
Total	61,846	78,754	11,084	151,684							

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

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

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

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

five-year key highlights

FIVE-YEAR KEY FINANCIAL HIGHLIGHTS

For the years ended March 31 (thousands of dollars)

	2010	2009	2008	2007	2006
Operating Funding					
Parliamentary appropriations for operating expenditures	85,387	78,703	78,160	77,198	70,195
Operating revenue	37,357	38,130	37,005	37,642	51,675
	122,744	116,833	115,165	114,840	121,870
Capital Funding					
Parliamentary appropriations for capital expenditures*	19,533	25,134	17,935	17,935	22,898
Transfer from Acquisition and Disposal Fund to capital program**	n/a	n/a	215	3,739	5,589
	19,533	25,134	18,150	21,674	28,487
Cost of Operations	138,003	148,781	131,455	127,666	125,585
Capital Assets					
Land	277,281	260,350	262,225	258,028	267,161
Buildings and infrastructure (net of amortization)	251,302	241,308	245,543	246,602	237,493
Investments in capital assets	38,890	23,548	21,654	20,823	20,255
Major Capital Projects					
LeBreton Flats redevelopment	2,233	986	1,795	1,778	7,022
Official residences	7,243	3,938	4,551	5,939	2,530
Real property acquisitions	5,835	3,301	2,599	904	—
Acquisition and Disposal Fund	40,149	43,280	42,887	44,015	43,655

FIVE-YEAR KEY OPERATING HIGHLIGHTS

For the years ended March 31

	2010	2009	2008	2007	2006
Number of employees	490	472	437	434	437

* Including funding for special projects

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

management discussion and analysis

FUNDAMENTALS

The NCC is a Crown corporation that reports to Parliament through the Minister of Transport, Infrastructure and Communities. The Minister of Foreign Affairs has been assigned as Minister of State (National Capital Commission) to assist the Minister of Transport, Infrastructure and Communities in fulfilling his responsibilities.

MISSION

Creating national pride and unity through Canada's Capital Region.

MANDATE

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

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

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

GUIDING PRINCIPLES

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

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

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

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

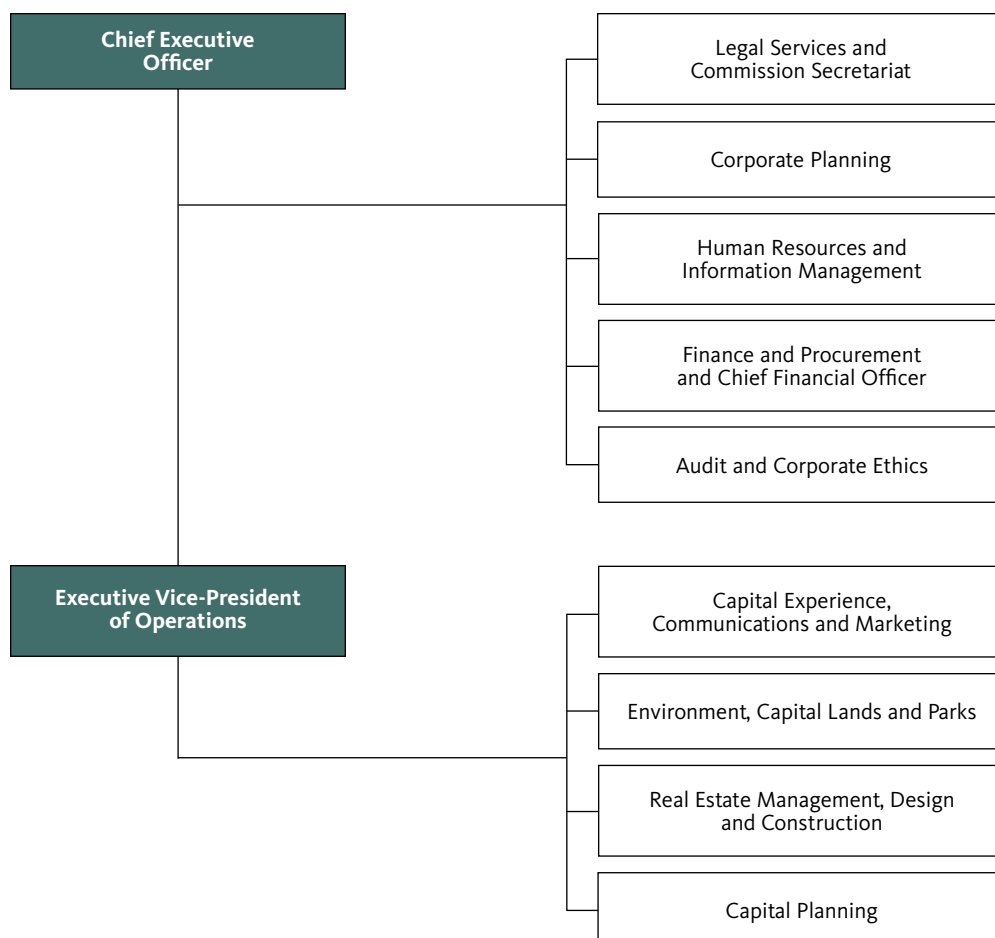
Leadership and innovation The NCC values creativity and innovation, based on knowledge and research. It continually aims to be proactive in finding solutions to problems and to lead by example.



NCC EXECUTIVE MANAGEMENT COMMITTEE AS AT MARCH 31, 2010

(from left to right)

Guy Laflamme (Vice-President, Capital Experience, Communications and Marketing), **François Lapointe** (Executive Director, Capital Planning), **Diane Dupuis** (Vice-President, Human Resources and Information Management), **Roland Morin** (Executive Director, Real Estate Management, Design and Construction), **Marie Lemay** (Chief Executive Officer), **Richard Fajarczuk** (General Counsel, Legal Services and Commission Secretariat), **Jean-François Trépanier** (Executive Vice-President of Operations), **Louise Mignault** (Director, Corporate Planning), **Michelle Comeau** (Vice-President, Environment, Capital Lands and Parks), **Pierre Désautels** (Executive Director, Finance and Procurement and Chief Financial Officer)



STRATEGIC FRAMEWORK

The NCC delivers on its responsibilities within the framework of one strategic objective: to ensure the optimum contribution of federal lands and public programs toward creating a capital that represents a source of pride and is of national significance. This objective is achieved through the Plan for Canada's Capital, the federal government's lead policy for Canada's Capital Region.

Through a series of master, sector, programming and area plans, the Plan for Canada's Capital guides the management and development of the Capital. This includes natural heritage areas, green spaces, waterways and shore lands, as well as destinations in the Capital Region, such as Gatineau Park, the Greenbelt and the Parliamentary Precinct, as well as links in the Capital Region, such as interprovincial bridges and parkways. The Plan for Canada's Capital also embraces the Strategic Transportation Initiative, which builds on the emerging federal interest in "green" cities and sustainable urban transportation.

The Plan for Canada's Capital also encompasses programming public events and activities that will inspire pride and unity among Canadians, and communicate Canada to Canadians and visitors from other countries.

MAJOR PROGRAMS AND BUSINESS LINES

The NCC has a varied and complex mandate. Numerous products and activities are involved in creating, managing and animating a capital that will inspire Canadians with pride. These are reflected in the NCC's three main business lines.

ANIMATING AND PROMOTING THE CAPITAL

To help Canadians discover and identify with historical, political, natural and cultural sites and institutions in the Capital, the NCC presents a rich mix of events, commemorations, interpretation, site animation, visitor orientation and recreation. The Rideau Canal Skateway and events such as Canada Day, the Sound and Light Show on Parliament Hill, Christmas Lights Across Canada, and Winterlude bring Canadians of all cultures together. Interpretation and animation programs help visitors to discover the sites of the Capital, while commemorations provide meaningful recognition of events or people who have helped build this country. For those who cannot visit the Capital, the NCC reaches out through youth programs, national grassroots initiatives, national broadcasts and programs that allow it to take the Capital to Canadians.

PLANNING, DESIGN AND LAND USE

The NCC guides and controls the use and physical development of federal lands in Canada's Capital Region. It coordinates and promotes excellence in site design and development in keeping with the role and significance of Canada's Capital. The NCC's heritage program directs the protection, safeguarding and conservation of its heritage properties and the Capital's archaeological treasures and cultural landscapes. A key concept in the NCC's planning program is the National Interest Land Mass (NILM), which comprises lands that are essential to supporting the long-term character of the Capital.

REAL ASSET MANAGEMENT AND STEWARDSHIP

As steward of a large and diverse land and asset base, the NCC undertakes to preserve, sustain and manage those assets to enrich the experience of Canadians. This stewardship has been guided by the NCC Environmental Strategy and preceding strategies since 1996. This strategy supports a corporate commitment to the preservation, protection and sustainable use of NCC lands and natural resources, including the protection of water, soil, wildlife and valued ecosystems; the management of contaminated sites; and the promotion of environmental awareness.

CAPABILITIES: RESOURCES AND CORE COMPETENCIES

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

NCC LANDS AND THE NATIONAL INTEREST LAND MASS

The NCC owns approximately 471 square kilometres of land, including Gatineau Park, the Greenbelt, parkway corridors, interprovincial bridges, over 90 kilometres of parkways, more than 175 kilometres of recreational pathways, some 2,500 hectares of urban green space, and 607 properties leased for residential, agricultural, institutional, recreational and commercial purposes. This represents approximately 10 percent of the land in Canada's Capital Region on both sides of the Ottawa River in Ontario and Quebec, making the NCC the region's single-largest landowner.

LONG-TERM PLANNING

National capitals are special cities with two special callings. The first relates to the stewardship of a country's heritage; the second, to looking forward, anticipating and meeting future needs, and embodying the country's hopes and aspirations. Since 1899, the Government of Canada has played an active role in planning and developing Ottawa and then the region around Ottawa–Gatineau as a capital, through the work of the NCC and its predecessors. Today, 87 percent of Canadians recognize Canada's Capital Region as a source of national significance according to the Strategic Market Research Study conducted by Ipsos Reid in 2009.

PLANNING AND STAGING EVENTS

The NCC's mandate was revised in 1988 to include public programming, messaging and events. Since that time, it has developed the skills to plan, design, create, produce and deliver a wide range of programs, while expanding its capacity to offer these services to other levels of government and the private sector. In 2009–2010, 68 organizations worked with the NCC on programs as diverse as the Remembrance Day ceremonies and the Academy of Canadian Cinema & Television's Genie Awards. Programming support from partners has grown to a value of \$4 million in 2009–2010, from \$2.6 million in 2008–2009. Partners are primarily from the public sector.

STEWARDSHIP

The management of the lands and assets under the care of the NCC is guided by the plans developed for each of the portfolios. This ensures the appropriate development and wise use of significant natural and cultural heritage resources, while ensuring that they can be used by the public and for the presentation of national events and programming.

EMPLOYEES

The NCC had 490 employees at March 31, 2010, compared with 472 at March 31, 2009. The additional staff were required to fulfill the NCC's commitment to collaboration, consultation, openness and transparency. In general, stability has been established with the completion of all reorganizations and manageable vacancy of positions, with modest recruitment challenges due to supply and demand issues in finance and engineering. The availability of qualified candidates in the geographic information system (GIS) field also remains low. Succession plans for the GIS positions were completed last year, and are being implemented.

Employee engagement and their level of commitment are instrumental in the NCC's ability to deliver on its mandate. In May 2009, the NCC was ranked as the sixth-best workplace out of the 63 departments and separate employers that participated in the Public Service Employment Survey. The survey was sent to 258,000 public service employees, and approximately 66 percent (70 percent of the NCC's employees) responded. More than 85 percent of NCC employees find satisfaction in their jobs, feel empowered to participate in decision making and are encouraged to be innovative. According to the Treasury Board of Canada Secretariat, such high levels of employee engagement contribute to a culture of excellence, which consequently increases productivity, and promotes excellence in the delivery of products and services.

Commitment is also reflected in the tenure of NCC staff, who have, on average, 10 years of service. Almost 20 percent have a combined NCC–Public Service of Canada tenure of 20 years or more, and 12 percent have 25 years or more of service.

VOLUNTEERS

During 2009–2010, the NCC benefited from 19,000 hours generously donated by 1,231 volunteers. These individuals contribute to building a capital that instills pride and the sense of community that is such an important national value. The NCC's volunteer program aims to involve the entire community in the programs developed by the NCC.

PARTNERS AND SPONSORS

The NCC's success also depends upon the support of partners and sponsors. In 2009–2010, the NCC had 68 partners and 31 sponsors. While the value of their funding and in-kind services and products is an important contribution to the NCC's financial capacity, the expertise, opportunities to participate in joint initiatives of mutual benefit and contribution of programming elements also contribute to the ability of the NCC to fulfill its mandate to build national pride.

SPONSORSHIP REVENUES

(thousands of dollars)

	2009–2010	2008–2009	2007–2008	2006–2007	2005–2006
Cash Sponsorship	1,057	1,390	1,318	1,197	1,373
In-Kind Sponsorship	224	949	1,170	1,173	1,137
Total	1,281	2,339	2,488	2,370	2,510

OPERATING ENVIRONMENT

ECONOMIC IMPACT

The global economy struggled toward recovery during 2009–2010, and the Canadian government was focused on strengthening the domestic economy. The domestic and global economic circumstances had a mixed impact on the NCC. For example, the ability to generate revenue from the leasing portfolio was stable due to the long-term leases on many of the properties that the NCC owns, while contributions to programs and events declined as corporate partners endeavoured to manage the economic uncertainty and challenges to their own operating environment and financial performance.

STRATEGIC REVIEW

Early in the fiscal year, the NCC was selected to participate in the strategic review process, a key pillar in the Treasury Board of Canada Secretariat's expenditure management system aimed at ensuring value for money for all government spending. The process required the NCC to review all direct program spending to ensure that its programs are managed effectively and efficiently, meet the priorities of Canadians, and are aligned with federal responsibilities.

The review process required a substantial amount of time from a core group of key managers and directors from May to September 2009. The NCC was also required to identify the 5 percent lower-priority, lower-performing programs for possible reallocation of funding to higher-priority, higher-performing programs within government.

The 2010 federal budget contained provisions under the terms of the strategic review for NCC appropriations to decline by 5 percent or \$2.1 million in 2010–2011, \$4.4 million in 2011–2012 and \$5.5 million in future years. Further details on the results of this review process will be made public in 2010–2011. By applying sound environmental stewardship of its lands and by further aligning its programs with its core mandate, the NCC will ensure that its activities provide more benefits to Canadians, as well as more value for money.

ENGAGED IN RENEWAL

At the same time, the NCC entered into a phase of renewal. Not only did the NCC touch almost every plan that guides its activities, from the Plan for Canada's Capital to the human resource planning framework, it also became more proactive in developing strategies for initiatives launched in collaboration with the municipalities and addressing trends and issues identified in the 2009–2010 to 2013–2014 corporate plan. Working with its municipal partners and public stakeholders, it was particularly engaged by the development of strategies in response to the mounting transportation and environmental pressures within the Capital Region.

During the year, the NCC also turned to the challenge of ensuring that its programs are reaching youth and Canadians across the country. Studies indicate that engagement with the Capital depends in part on age and distance from the Capital. Marketing and communications plans have been developed and are being implemented to ensure that the NCC's programs are inclusive.

OPENNESS AND TRANSPARENCY

The NCC's activities during the year were also heavily influenced by its priority to function with greater openness and transparency, a key recommendation arising from the 2006 mandate review. During the year, the NCC held 30 consultations. It also conducted 12 surveys to gather the opinions and sentiments of the public, gathering feedback from at least 9,712 persons. Openness and transparency also involved holding board meetings in public and developing the staff and technological capacity to manage increased contact with clients, a result of a public redress mechanism that was implemented to enhance the NCC's credibility and public trust.

PERFORMANCE: STRATEGIC PRIORITIES

During 2009–2010, the activities and the development of the corporate plan at the NCC were influenced by four strategic priorities.

A MANDATE FOR THE FUTURE

The government completed a review of the NCC mandate in 2006. On June 9, 2009, Bill C-37, an Act to amend the National Capital Act and other Acts, was introduced in the House of Commons. The bill was referred to committee on October 5, 2009, but died on the Order Paper when Parliament was prorogued on December 30, 2009. The bill was reintroduced in April 2010 as Bill C-20.

The proposed legislation is significant to the NCC. It would ensure the efficient and effective fulfillment of the NCC's mandate. It will also do the following:

- modernize the NCC's authority for real estate transactions;
- provide for new and enhanced regulatory and enforcement provisions to enable the NCC to better protect its properties;
- fully describe the boundaries of Gatineau Park and give due regard to the maintenance of its ecological integrity;
- enshrine the principles of responsible environmental stewardship in the management of real property;
- define the criteria and process for the designation of the NILM;
- require that a new master plan for Canada's Capital Region be submitted at least once every 10 years for the approval of the Governor-in-Council for tabling in Parliament; and
- enshrine a minimum number of open public board meetings.

Although the NCC would be required to institute a number of changes to its corporate by-laws, property regulations and long-term planning procedures, a number of initiatives have already been implemented: board meetings are open to the public, operations are managed in an environmentally responsible manner and broad public consultations regarding plans for the Capital have been held.

LONG-TERM PARTNERSHIPS AND SUSTAINABLE COLLABORATION

Partnerships are critical to the realization of the NCC's vision. During 2009–2010, steps were taken to build those partnerships by harmonizing the NCC's policies and approaches with those of its federal, provincial/territorial and municipal partners, and by reaching out to stakeholders and the general public. Discussions with federal and municipal partners included two National Capital Tripartite Planning Committee meetings between the NCC's CEO and the mayors of Ottawa and Gatineau to discuss common interests, such as the bike share program, the Ottawa River Integrated Development Plan, cycling in the Capital Region and the Ottawa River Summit planned for August 2010. Two meetings of the Tripartite Administrative Committee and several bilateral meetings were held with the cities of Ottawa and Gatineau with respect to specific issues such as transportation studies, the redevelopment of Lansdowne Park, the Montcalm Street revitalization project, the Rapibus and the Ottawa River. Also, three Mayors Round Tables occurred during the year. Discussions included transportation planning, the recreational pathway network and the Ottawa River.

As one of the largest owners and managers of land in Canada's Capital Region, the NCC is often involved in community issues related to the use of its lands. These initiatives in 2009–2010 included an agreement signed with the Governing Council of the Salvation Army in Canada to support homeless clients found on NCC urban lands, and a Share the Road security campaign that was launched in partnership with the RCMP (Royal Canadian Mounted Police) and local police forces to raise awareness among cyclists and motorists who share the roadways in Gatineau Park.

Public consultations provide an opportunity for hundreds of people to engage in a conversation with the NCC about key plans for the Capital Region. Last year, numerous consultations on the Greenbelt Master Plan and on various Gatineau Park plans were held. In addition, at the end of the fiscal year, a strategy was approved that will allow for ongoing public advisory committees. These committees will allow the public to be involved at both the development and the implementation phases of major NCC plans related to land portfolios.

BUILDING A GREENER CAPITAL

As a steward of Canada's Capital, the NCC is determined to be a leader in environmental management. To accomplish this, the NCC Environmental Strategy was launched in June 2009 to weave sustainability into every aspect of the NCC's activities. The strategy focuses on enhancing biodiversity, combatting climate change, preventing pollution, reducing waste, and developing the acknowledged leadership of the NCC and Canada's Capital Region in terms of environmental management.

During 2009–2010, the values and principles related to the environmental strategy were integrated into planning and transportation exercises, such as the Plan for Canada's Capital, the Greenbelt Master Plan and the Capital Urban Lands Master Plan, and strategic transportation studies. Discussions with applicants for federal approvals and the analysis of their applications also incorporated the principles of the environmental strategy.

As part of its strategy to reduce waste, the NCC is also establishing carbon footprint analyses during programs and events. Last year, these began with Canada Day 2009, the Rideau Canal Skateway 2009–2010 and Winterlude 2010. In consultation with Alcatel-Lucent, a program was also developed to promote carbon footprint reduction for the Sunday Bikedays program.

The Gatineau Park Ecosystem Conservation Plan was completed and made public. This project represents the first in a series of studies that the NCC will conduct under the second phase of its natural resource research program. Other projects include identifying ecological corridors, managing recreational activities and rehabilitating ecosystems. Specific projects in 2009–2010 include the rehabilitation of the Meech Lake shoreline and development of a plan to restore the Eardley Escarpment.

2017: CANADA'S LEGACY

In 2017, Canada will celebrate 150 years of nationhood. The NCC sees the celebration of this anniversary as an immense opportunity to communicate the value of the Capital to Canadians. The NCC will coordinate the celebration of Confederation in Canada's Capital Region, working with federal agencies and departments. The return of the Ottawa River islands and shoreline to public use is central to the plans for this celebration.

PROGRAM PERFORMANCE

The NCC's strategic objective is executed through four program areas: animating and promoting the Capital; capital planning, design and land use; real asset management and stewardship; and corporate services. The following discussion covers only the highlights of the NCC's performance against 2009–2010 corporate plan objectives and strategies.

For a summary of key performance indicators, see pages 48 to 53.

ANIMATING AND PROMOTING THE CAPITAL

TARGET

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

RESULTS

According to the Strategic Market Research Study conducted in 2009, 87 percent of respondents indicated that Canada's Capital Region has national significance.

OVERVIEW OF ACTIVITIES

Events, interpretation programs and commemorations

Programs

The NCC stages two flagship events, Winterlude and the Canada Day celebrations, as well as interpretation programs and commemorations.

Target

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

Results

According to a survey conducted at the Tulip Legacy Exhibit, 85 percent of visitors indicated a greater sense of pride in Ottawa as Canada's Capital, as a result of their visit.

There were over a million visits to key events and programs in 2009–2010. Attendance at the Sound and Light Show in 2009 was 233,000, a 7 percent increase over 2008, but 7 percent short of its target attendance of 250,000. The missed target could reflect a decline in tourism, and this was also the final year of the existing show's five-year cycle. This production will be replaced by a new production, called *Mosaika*, in July 2010.

Attendance at the Canada Day celebrations was 350,000, exceeding the target by 8 percent. However, this represents a 25 percent decline from 2008, when exceptional attendance was driven by a number of factors, including excellent weather, higher-profile performers and enhanced fireworks. At the same time, a renewed alliance with CBC/Radio-Canada to broadcast the Canada Day Evening Show made the celebrations available to millions across the country. This represented the first time that the evening show was broadcast since 2004. An estimated 3 million radio and television cumulative impressions were made.

Winterlude attendance increased 32 percent to an estimated 600,000 from 457,000 in 2008. This is due in part to the excellent winter weather conditions that allowed the Capital to experience three full weekends of Winterlude. For the opening of Winterlude, a new partnership was formed with the Canadian Museum of Civilization; an estimated 25,000 people attended the performances and fireworks at the opening event. The success of this new partnership lays the foundation for the new Winterlude strategic plan and business model, where development and sustainability of the program rely on a greater involvement of the NCC's partners and stakeholders.

Special events such as the 2010 Olympic Torch Relay also many attracted people (an estimated 23,000) and focused much attention on the Capital. On December 12, 2009, the 25th edition of Christmas Lights Across Canada illuminated Parliament Hill, as the Olympic Flame arrived in the heart of the Capital. The event was broadcast live on Rogers Television and aired on Rogers affiliated networks until the beginning of the Olympic Winter Games in February. Organized in partnership with Canadian Heritage, the event raised the national visibility of this Capital program.

The NCC also partnered with Public Works and Government Services Canada (PWGSC) and other federal organizations to produce “Canada’s Capital Salutes Winter,” a key component of the Government of Canada Exhibitions Program touring to major cities across Canada. The travelling showcase offers Canadians a unique opportunity to learn about a wide range of government services in an interactive and entertaining environment.

During the past year, the NCC received six commemoration requests (nine in 2008–2009), and seven national anniversaries were marked and supported (seven in 2008–2009), helping to fulfill Canadian Heritage’s five-year commemoration plan. The 2009–2010 commemorations included banners and interpretive panels to commemorate all Canadians who served in the First World War. In addition, the Battle of Hong Kong monument was unveiled, and a monument to the victims of totalitarian communism was approved. During the year, the NCC also began organizing the commemoration of the Canadian Naval Centennial in 2010. This included a national competition for the design of a monument to be built in Ottawa. The monument is expected to be completed by May 2011.

A 10-year strategy to enrich interpretation programs throughout the Capital was developed during 2009–2010. In 2009–2010, visitation to Parliament Hill programs increased to 741,000, which exceeded the target by 7 percent and was 7 percent over 2008–2009 attendance. Three new youth engagement programs were successfully launched: Capital Think Tank, in partnership with Encounters with Canada and TakingITGlobal; the National Student Banner Contest, in partnership with Classroom Connections; and Urban Art at Dows Gallery (located at Dows Lake), on the Rideau Canal Skateway. These programs were part of a new strategy designed to increase the NCC’s outreach to youth and engage them in defining their capital. The programs exceeded their target to reach 500,000 young people.

Marketing and communications

Programs

The NCC invests in marketing and communications programs to raise awareness of the Capital among Canadians.

Target

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

Results

According to the Strategic Market Research study conducted in 2009, 85 percent of respondents indicated that Canada’s Capital Region is a place to experience Canadian heritage, culture and achievements.

Maintaining an overall positive tone in media coverage is very important to the NCC. Special attention was given to media coverage for the annual general meeting, launch of the environmental strategy, Canada Day and the proposed legislation to change the *National Capital Act*. The tone of media coverage was not professionally evaluated in 2009–2010; however, an evaluation of daily media clippings suggests that media coverage was positive over the course of the year.

A new Marketing and Communications Plan was implemented as part of the NCC’s strategy to increase awareness of the Capital. This plan identified the need to establish a brand for the Capital that resonates with Canadians across the country. Concurrently, the NCC continued to renew its website as a primary means of reaching Canadians, particularly youth and those unable to visit the Capital.

Monetary revenue generated from sponsorships decreased 24 percent to \$1.1 million in 2009–2010, from \$1.4 million in 2008–2009. This exceeded the target of \$966,000, despite the difficult economic conditions and the challenges securing multi-year agreements. There was an overall decrease of 45 percent in sponsorship revenues to a value of \$1.3 million from \$2.3 million in 2008–2009. The number of multi-year agreements was below target, with only seven established, generating 35 percent of sponsorship revenues (the target was 10 multi-year agreements generating 60 percent of revenues).

Recoveries from 31 partners increased 54 percent to \$4 million, compared with \$2.6 million from 33 partners in 2008–2009. Most NCC partners are public entities — with Canadian Heritage being the main partner in both 2009–2010 and 2008–2009 — and their funds are used for specific programs. The substantial growth in recent years has been driven by a wider recognition of the NCC's capabilities and expertise, and has allowed it to enhance the public programming that it delivers.

During the year, three new alliances were formed, allowing the NCC to bring three new events to the Capital. It partnered with the Academy of Canadian Cinema & Television and CanWest Global to bring the 29th Annual Genie Awards to Canada's Capital Region in April. A new alliance was formed with CBC/Radio-Canada to broadcast the Canada Day Evening Show, and programming elements from the Rideau Canal Skateway during Hockey Day in Canada were also broadcast through CBC. And, through the partnership with Canadian Heritage, the NCC organized the arrival of the Olympic Flame in the Capital.

CAPITAL PLANNING, DESIGN AND LAND USE

TARGETS

Decisions related to land use planning are consistent with NCC plans; NCC long-range plans are reviewed and updated according to the land use planning framework; the federal approval process is efficient; and decisions to implement sustainable and efficient transportation strategies by all levels of government reflect the Strategic Transportation Initiative.

RESULTS

The recommendations from the evaluation of the federal land use and design authority are being implemented. During 2009–2010, 55 federal land use approvals and 40 design approvals were granted.

OVERVIEW OF ACTIVITIES

The NCC carries broad responsibilities beyond managing the land that it owns. These include the following:

- guiding and coordinating the land use planning, development and management of all federal lands in Canada's Capital Region — including identifying the NILM to be held in trust for future generations and managing the NCC's built heritage, cultural landscapes, archaeological assets and collections, as well as the approval of heritage building designations in the Capital;
- developing strategies and facilitating federal involvement in transportation and transit in Canada's Capital Region;
- reviewing and approving all proposals for land use changes, designs and land disposals on federal lands in Canada's Capital Region.

The NCC continued to work closely with its municipal partners as it completed and updated its planning framework. As part of its strategy to more effectively coordinate the timing of planning initiatives, it continued to work with the cities to develop a joint calendar. Moreover, a Planning Transportation Work Program 2010–2013 calendar, featuring NCC and multipartite initiatives, was developed and will be updated on a regular basis.

The review of the Plan for Canada's Capital, which will set priorities for the next 50 years, continued to progress. A statement of requirements and a request for proposals have been completed, and a

consultant will be chosen in early 2010–2011, coinciding with the initiation of Phase I of the plan's review. At the heart of the three-year planning process will be an engagement strategy that will involve Canadians across the country in the establishment of a shared long-term vision of the Capital.

The NCC was also engaged in the review of the Greenbelt Master Plan and the development of the Capital Urban Lands Master Plan. The completion of Phase I and the development of a long-term vision for the Capital Urban Lands Master Plan has been deferred to 2010–2011, due to an increase in data gathering requirements and consultations. Public consultations will be held in the fall of 2010, leading to a long-term vision for these lands in the Capital. Despite these delays, completion of the master plan is expected to remain on target for 2011–2012. Significant progress was also made on the Greenbelt Master Plan, as consultations for the development of the vision statement took place.

The completion of the NILM review and non-NILM action plan has been deferred to 2014–2015. The NILM review will be undertaken in parallel with the development and revision of long-range plans at all levels, as these will have an impact on its requirements. The review process, which will involve public consultations, will also be affected by the anticipated changes to the *National Capital Act*. The NILM will be updated during the next corporate planning period (2010–2011 to 2014–2015).

The completion of Phase II of the Environmental Assessment of Future Interprovincial Crossings has been deferred to 2013–2014, due to the decision made by the NCC and funding partners to revise the plans to include two additional crossings. Funding partners have been engaged, and work on Phase II has progressed. A final report is to be presented to the NCC Board of Directors in June 2010. The completion of the strategic planning study for the integration of interprovincial mass transit in the core area was deferred to 2010–2011 to accommodate additional stakeholder and public consultations in February 2010. The preliminary results are expected to be ready for review by the Study Team and Steering Committee in 2010–2011, and subsequently for stakeholders and public review.

In an effort to identify efficiencies in the planning process, the NCC launched stakeholder consultations and a review of the process to approve the design and land use for any federal project in Canada's Capital Region. A new three-level and four-step process for the approval of projects was approved, and completion of the new process is scheduled for 2010–2011. Throughout 2009–2010, 160 land use proposals and 120 design proposals were actively under review to ensure that they incorporated high quality standards, complied with policies, and contributed to the safeguarding and enhancement of the Capital's natural and built environment. A total of 216 proposals were reviewed in 2008–2009.

REAL ASSET MANAGEMENT AND STEWARDSHIP

TARGET

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

RESULTS

In a survey conducted for the Gatineau Park exhibit at the visitor centre, 88 percent of respondents indicated that visiting Gatineau Park enriched their visit to the Capital.

OVERVIEW OF ACTIVITIES

- Safeguard and preserve the Capital's most treasured cultural, natural and heritage assets, including the official residences.
- Promote the use of the NCC's extensive lands and buildings in support of the corporation's programs and mandate.
- Manage these assets in a sustainable and responsible manner through a life cycle maintenance and rehabilitation program.
- Acquire properties of national interest and dispose of surplus properties.
- Make payments in lieu of taxes to municipalities and school boards in Quebec.

These activities are carried out in close cooperation with the cities of Ottawa and Gatineau and federal organizations.

The NCC holds a leasing portfolio of 607 residential, commercial, farm, institutional and recreational properties, from which it generated \$16.7 million in gross revenues in 2009–2010, compared with \$16 million in 2008–2009. Income from this portfolio is generally stable, due to the very long term of most leases within the commercial portfolio.

Core Capital projects

Target

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

Results

According to the LeBreton Flats survey, 70 percent of respondents indicated that their visit to LeBreton Flats enriched their overall visit to the Capital.

A ground lease for the Canlands “A” redevelopment on Sparks Street began in December 2009, and the tenant is to complete the building by 2013–2014. The sales centre is scheduled to open in early 2010–2011.

The completion of the development of both the NILM and non-NILM portions of LeBreton Flats was delayed. The non-NILM development has progressed more slowly than expected due to the unanticipated environmental cleanup required. The archaeological field work on Blocks L and O at LeBreton Flats is complete, with over 45,000 artifacts analyzed.

Land and real asset management

Target

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

Results

Not evaluated in 2009–2010.

Acquisitions and dispositions

In January 2008, the NCC identified 405 private properties within Gatineau Park, representing a total area of approximately 600 hectares, for acquisition. During 2009–2010, the NCC acquired 12 properties with a total area of 103.4 hectares, bringing the total amount of land acquired since January 2008 to 150.5 hectares. Disposal of properties is currently restricted to allow the sale of non-contentious surplus federal properties where agreements were already in place or where the transfer involves other levels of government. In 2009–2010, the NCC completed two dispositions, compared with three in 2008–2009.

Environmental leadership

The NCC’s commitment to environmental leadership will affect every aspect of the NCC’s operations, and cut across jurisdictional responsibilities and program areas. Within the Real Asset Management program, the major initiatives include a plan to ensure certification by the Leadership in Energy and Environmental Design (LEED®) program for all new buildings built by the NCC, by 2013, and a detailed action plan to ensure that all contaminated NCC sites are secure by 2017.

In 2009–2010, the NCC conducted 40 detailed environmental site assessments, at the Phase II level or above, on sites that were suspected of being contaminated. As a result of this work, 15 NCC properties were added to those officially designated as contaminated. Active remediation took place at six sites. Securing a contaminated site involves studying it and taking all necessary remediation or other risk management actions consistent with the designated use of the site. By 2017, all NCC contaminated sites will require only routine monitoring and maintenance. The NCC is currently conducting a

systematic review of its more than 1,400 properties to determine what needs be done to secure each site. To date, approximately 66 percent of NCC properties have been reviewed from this perspective.

The Gatineau Park Ecosystem Conservation Plan was approved and presented to the public, and an ecological corridors study was initiated.

Operations and maintenance

A renewed priority-based approach for the Multi-Year Capital Program was implemented. This approach has improved efficiency and capacity, as evidenced by the NCC's record success in delivering projects under this program during the fiscal year. The value of the projects delivered under the program surpassed that of 2008–2009 projects by \$12.8 million, reaching a total of \$30.7 million for 2009–2010.

The NCC's capital funding was supplemented in 2009–2010 and 2010–2011 with \$1 million each year from the federal Infrastructure Stimulus Program for two infrastructure projects. The project to rehabilitate the Portage Bridge tunnels was completed, and a contract for the design work for the Kingsmere Road overpass project has been awarded, with construction to begin in June 2010. Both projects will ensure public safety, as well as enhance the reliability and efficiency of transportation infrastructure. For 2010–2011, approval was obtained for 18 additional infrastructure projects totalling \$45.7 million, in Ontario and Quebec, through Canada's Economic Action Plan. These projects include the paving of the Aviation Parkway and the rehabilitation of the Moore Farm. All projects must be completed by March 31, 2011. The projects are vital to fulfilling the NCC's mandate. The funding will enable the implementation of these priority projects in a shorter time frame than would otherwise be possible under normal budgetary allocations.

The outdoor capital

The development of a five-year strategic plan for the Rideau Canal Skateway was launched. This plan will include a vision, strategic direction and key objectives aimed at maximizing the Skateway's contribution to the fulfillment of the NCC's mandate.

The development of the plan for recreational services in Gatineau Park continued throughout the year. A vision statement, mission and guiding principles were presented to the public. The use of remote-controlled model aircraft was eliminated in Meech Creek Valley, as was the use of motorized boats at La Pêche Lake. In addition, motorboat access to Meech Lake was reduced. Snowmobiling in Gatineau Park was reduced in January 2010 and is to be completely eliminated by 2012.

A five-year action plan was developed to implement the key recommendations of the strategic plan for the Capital Pathway network. It included actions to support the development of the network, improve the safety of users, develop services and promote the network. Also, as part of the strategic plan, in partnership with the cities of Gatineau and Ottawa, a pilot project for the bike share program was successfully implemented, with over 5,000 trips made last year.

Official residences

The NCC manages Canada's six official residences in Canada's Capital Region; each is a nationally significant heritage property.

Target

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

Results

Not evaluated in 2009–2010.

The most extensive work to official residences in 2009–2010 was carried out at Rideau Hall, the residence and workplace of the governor general of Canada. Work on the historical Tent Room was initiated in January 2010 for completion prior to the Queen's visit in July, and work on the

Ceremonial Greenhouses is well under way. The tender for the rehabilitation of the interior and exterior of the Dome Building was issued, and construction is scheduled to begin in June 2010. Progress was also made on high-profile projects at Harrington Lake and the Farm.

Renovations at 24 Sussex Drive, the residence of the prime minister, have been delayed due to security considerations. Investigative and preparatory work is well under way.

Payments in lieu of municipal taxes

Target

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

Result

One hundred percent of payments were made on time.

CORPORATE SERVICES

EXPECTED OUTCOME

Ensure the effective and efficient operation of the corporation.

OVERVIEW OF ACTIVITIES

- Produce legislatively required documents and reports and conduct internal audits, evaluations and research to support effective governance and public affairs.
- Provide corporate-wide strategic, financial, technical, legal, communications, administrative and human resource support.

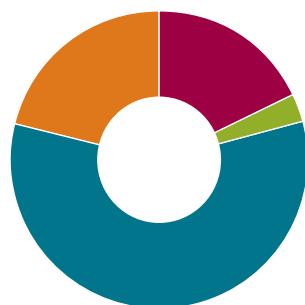
During 2009–2010, the NCC continued the renewal of its corporate governance structure and processes and modernization of practices in keeping with the evolution of government policies and best practices. The review of the corporate by-laws and committee charters has been completed. However, the update has been deferred by one year to 2010–2011 to take into account the impact of potential amendments to the *National Capital Act*.

Despite delays related to the strategic review exercise, work progressed on the development of an employee code of conduct. Conceptual design and senior management consultations were completed. A committee was established to ensure that the code is effectively designed and implemented, and that the objectives are achieved in accordance with the NCC's values, ethics and risk profile. Employee consultations will occur in early 2010–2011, and full approval is anticipated November 2010.

Although full implementation of the enterprise risk management framework was postponed to 2010–2011 to focus on the strategic review mandated by the Treasury Board of Canada Secretariat, an employee re-engagement strategy was developed. Significant progress was made on an online risk management training course for all employees; launch is anticipated in 2010–2011.

PROPORTION OF NCC EXPENSES BY SECTOR, 2009–2010

(millions of dollars)



Total: 138.0

- Animating and promoting the Capital: 24.2
- Capital planning, design and land use: 4.5
- Real asset management and stewardship: 79.9
- Corporate services: 29.4

FINANCIAL PERFORMANCE

PARLIAMENTARY APPROPRIATIONS

In 2009–2010, the NCC was granted \$104.9 million in parliamentary appropriations for both operating and capital expenditures. This represents a \$1.1-million increase over 2008–2009 appropriations, which totalled \$103.8 million (see Chart 1 and Table 1).

Incremental appropriations were received to cover salary and employee benefit increases resulting from the collective agreement (\$3.0 million), investments in infrastructure following the 2009 budget (\$1.0 million), and environmental studies under the Federal Contaminated Sites Action Plan program (\$0.5 million). These increases were partly offset by net funding realignments of \$3.6 million in 2009–2010 for the official residences program.

Total appropriations are expected to increase to \$117.4 million in 2010–2011 (\$111.8 million in 2011–2012), primarily due to a \$13-million increase in overall funding for official residences as a result of realignments (\$11.9-million increase in 2011–2012). Fluctuations in funding for environmental studies under the Federal Contaminated Sites Action Plan program also contribute to an increase of \$1.5 million in 2010–2011 (decrease of \$2.1 million in 2011–2012). These are partly offset by a \$1.7-million reduction in both years in annual salary and benefit appropriations granted only through supplementary estimates, temporary appropriations of \$1.0 million per year received in 2009–2010 and 2010–2011 for infrastructure, following the 2009 budget, as well as an additional federal government budget reduction of \$0.2 million in 2010–2011 (\$0.4 million in 2011–2012).

CHART 1 — PARLIAMENTARY APPROPRIATIONS, 2005–2006 TO 2011–2012

(millions of dollars)

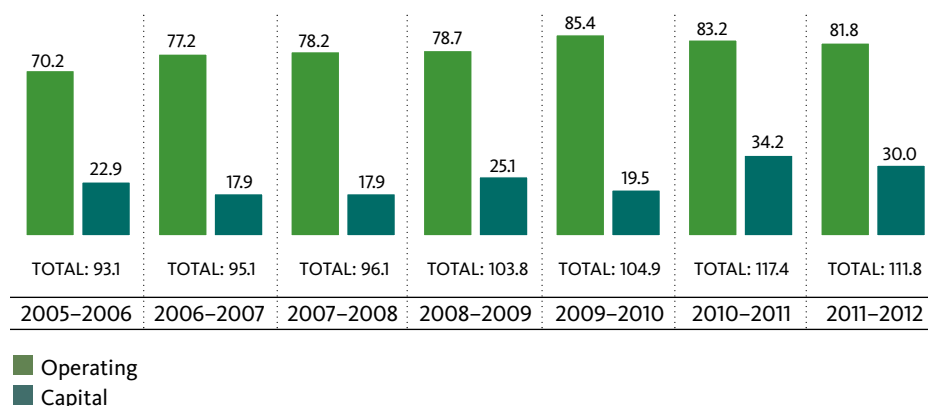


TABLE 1 — PARLIAMENTARY APPROPRIATIONS, 2008–2009 TO 2011–2012

(thousands of dollars)

	ACTUALS			PROJECTIONS	
	2008–2009	2009–2010	Variance	2010–2011	2011–2012
Operating	76,313	79,627	3,314	83,173	81,870
Supplementary operating	2,390	5,760	3,370	–	–
Subtotal	78,703	85,387	6,684	83,173	81,870
Capital	17,934	30,513	12,579	34,188	29,973
Supplementary capital	7,200	(10,980)	(18,180)	–	–
Subtotal	25,134	19,533	(5,601)	34,188	29,973
Total appropriations	103,837	104,920	1,083	117,361	111,843

OPERATING REVENUE

As shown on the statement of operations (*see Table 2 on page 45*), the NCC generated \$37.4 million in operating revenue in 2009–2010, compared with \$38.1 million in 2008–2009. The \$0.7-million decrease is primarily attributable to lower revenues from interest (\$2.8 million) and lower sponsorship revenues (\$1.1 million). These were partly offset by higher other fees and recoveries (\$2.5 million), mainly from a settlement for a contaminated site (\$1.8 million), and rental operations and easements (\$0.4 million).

Rental operations and easements provided the largest source of operating revenue in 2009–2010, representing 55 percent (53 percent in 2008–2009) of total operating revenue, excluding the net gain on the disposal of capital assets. All sources of operating revenue are expected to remain relatively stable in future years, with the exception of variations in the net gain on the disposal of capital assets (*see Chart 2*).

Total funding for operations (appropriations plus operating revenue) has remained relatively stable in recent years (*see Chart 3*), other than in 2009–2010, when it increased as a result of additional appropriations to cover salary and employee benefit increases, and due to realignments in the funding for official residences. In 2005–2006, there was also a significant net gain on the disposal of capital assets.

COST OF OPERATIONS

As shown in the statement of operations and comprehensive income, and detailed by major classification in Note 10 to the financial statements (*see Chart 4*), the total cost of the NCC's operations for 2009–2010 decreased by 7 percent to \$138.0 million, from \$148.8 million in the previous year. The \$10.8-million decrease stems mainly from a loss on disposal recorded in 2008–2009 related to the transfer of LeBreton Flats properties (\$11.7 million), lower environmental expenditures (\$1.8 million) resulting essentially from a reduction in the environmental provision, and decreased property leasing costs (\$1.7 million). These reductions were partly offset by increased salaries and benefits (\$3.2 million), contributions to partners (\$0.7 million), and interest costs (\$0.5 million).

In future years, the NCC will face greater cost pressures for its headquarters accommodation and the renewal of the property maintenance contracts, as each of these expenditure areas includes contracts with escalating inflation clauses. Life cycle management costs, including materials and labour, will also increase.

CHART 2 — MAIN SOURCES OF OPERATING REVENUE, 2005–2006 TO 2011–2012
(millions of dollars)

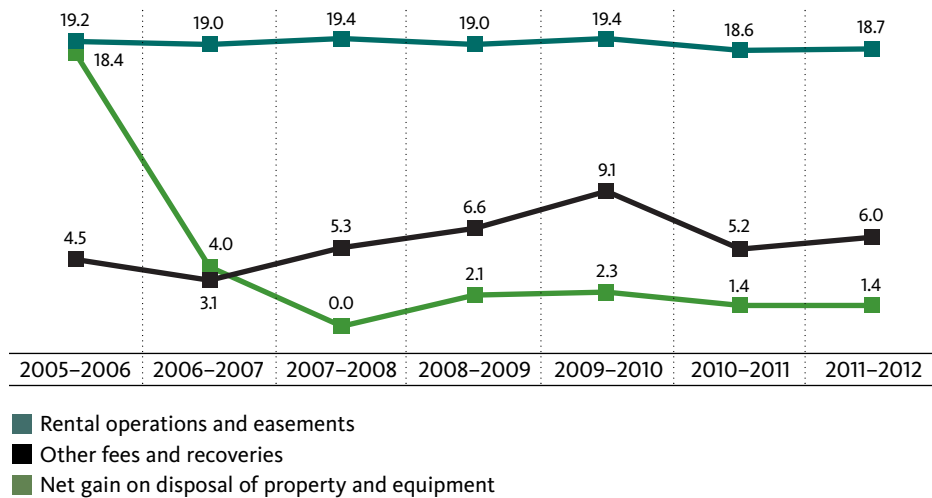


CHART 3 — TOTAL OPERATING FUNDING, 2005–2006 TO 2011–2012
(millions of dollars)

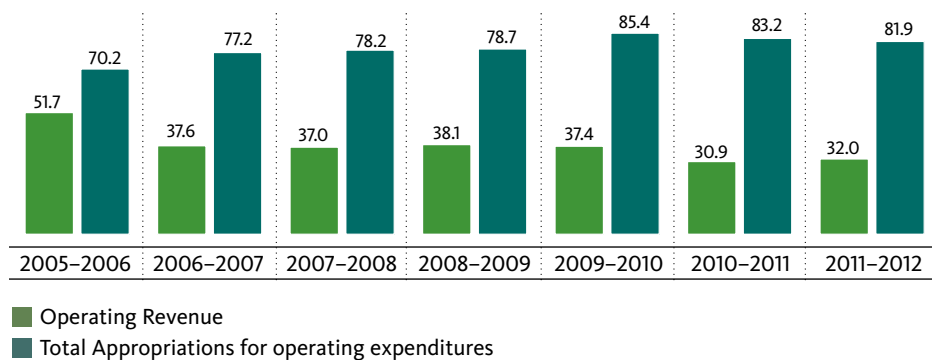
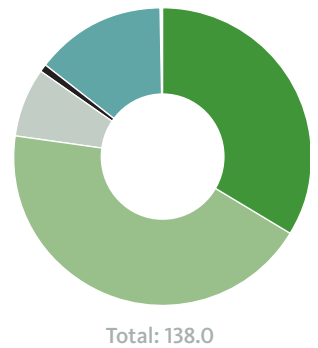


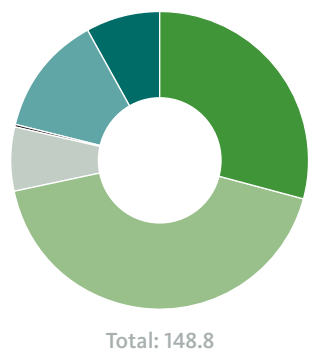
CHART 4 — EXPENSES BY MAJOR CLASSIFICATION

2009–2010
(millions of dollars)



- Salaries and benefits: 46.7
- Goods and services: 60.1
- Payments in lieu of municipal taxes: 10.3
- Contributions: 1.0
- Amortization and impairment loss: 19.8
- LeBreton Flats redevelopment: 0
- Net loss on disposal of intangible assets: 0.1

2008–2009
(millions of dollars)



- Salaries and benefits: 43.5
- Goods and services: 63.3
- Payments in lieu of municipal taxes: 10.4
- Contributions: 0.3
- Amortization and impairment loss: 19.6
- LeBreton Flats redevelopment: 11.7
- Net loss on disposal of intangible assets: 0

CAPITAL EXPENDITURES

In 2009–2010, \$38.9 million of capital investments were made, compared with \$23.5 million in 2008–2009. An increase in capital expenditures was recorded in most categories of projects, while urban lands and transportation projects recorded the highest growth (\$5.8 million), including new investments in stimulus infrastructure projects (\$2.0 million). Capital expenditures also increased for rehabilitation of official residences (\$3.3 million), property acquisitions (\$2.5 million), animating and promoting projects (\$2.2 million), and environmental projects (\$1.4 million).

BUDGETARY ANALYSIS

Table 2 provides the following comparisons in terms of operating results: for 2009–2010, actual results versus the forecast presented in the 2009–2010 to 2013–2014 Summary of the Corporate Plan; and, for 2008–2009, a similar comparison of actual results with the budget, based on the 2008–2009 to 2012–2013 Summary of the Corporate Plan. The table also provides the forecast of operating expenditures for 2010–2011, presented in the 2010–2011 to 2014–2015 Summary of the Corporate Plan.

The NCC exceeded its revenue budget in 2009–2010 by \$4.6 million, with higher-than-budget income from partners’ contributions for events and programs (\$2.3 million), net gain on the disposal of capital assets (\$0.9 million), user access fees (\$0.9 million), rental operations and easements (\$0.4 million), and an unbudgeted settlement for a contaminated site (\$1.8 million). These increases were partly offset by lower-than-budget interest revenues (\$1.0 million) and sponsorship revenues (\$0.4 million), as well as delays in planning initiatives funded by partners (\$0.3 million).

The actual cost of operations was \$3.4 million higher than budget, primarily due to higher-than-budgeted expenditures for event programming (\$2.3 million), increased expenditures under the Federal Contaminated Sites Action Plan program (\$1.0 million), unbudgeted interest on a claim settlement (\$0.5 million) and increased salaries and benefits (\$0.9 million). These increases were partly offset by delays in planning initiatives (\$1.3 million).

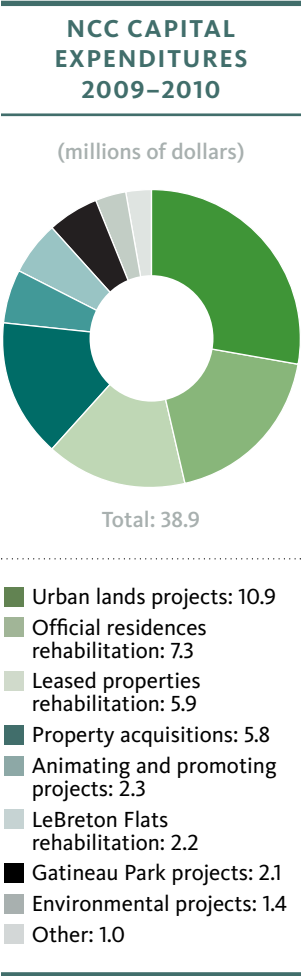


TABLE 2 — STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

for the years ended March 31, 2009 to 2011 (thousands of dollars)

	2010–2011	2009–2010			2008–2009		
	Budget	Budget	Actual	Variance	Budget	Actual	Variance
Revenue							
Rental operations and easements	18,584	18,960	19,350	390	18,260	18,992	732
Interest	1,353	2,406	1,445	(961)	3,541	4,286	745
Net gain on disposal of property and equipment	1,400	1,400	2,289	889	4,200	2,123	(2,077)
Sponsorship							
Monetary	966	966	1,057	91	966	1,390	424
Goods and services	250	750	224	(526)	750	949	199
Headquarters sublease	1,849	1,802	1,821	19	1,799	1,801	2
User access fees	1,315	1,115	2,041	926	1,115	1,965	850
Other fees and recoveries	5,211	5,317	9,130	3,813	3,240	6,624	3,384
	30,928	32,716	37,357	4,641	33,871	38,130	4,259
Cost of Operations							
Animating and promoting the Capital	20,628	21,598	24,194	(2,596)	19,087	22,379	(3,292)
Capital planning, design and land use	6,633	5,746	4,463	1,283	3,229	3,647	(418)
Real asset management and stewardship	90,973	78,932	79,870	(938)	77,096	94,740	(17,644)
Corporate services	30,970	28,286	29,476	(1,190)	29,256	28,015	1,241
	149,204	134,562	138,003	(3,441)	128,668	148,781	(20,113)
Net comprehensive loss before funding from the Government of Canada	(118,276)	(101,846)	(100,646)	1,200	(94,797)	(110,651)	(15,854)
Funding from the Government of Canada							
Parliamentary appropriations for operating expenditures	83,173	79,627	85,387	5,760	76,313	78,703	2,390
Amortization of deferred capital funding	13,734	16,160	18,126	1,966	–	21,055	21,055
Net Comprehensive (Loss) Income	(21,369)	(6,059)	2,867	8,926	(18,484)	(10,893)	7,591

SUPPORTING FUNCTIONS

HUMAN RESOURCES

During 2009–2010, the NCC continued to integrate human resource planning into corporate planning. All branches completed work on Phase II of the human resource planning exercise, involving the identification of important positions and the subsequent completion of succession plans for these positions; the development of succession plans for key positions was completed in 2008–2009. A new employee orientation program was implemented, giving new employees an opportunity to learn about the organization, and providing employees with the tools they need to ensure a smooth integration into the NCC's workforce. To date, 44 employees have participated. A new recognition program was also implemented. Highlights of this new program include various options for employee recognition and a CEO Merit Award Breakfast, at which employees will be recognized for their exceptional performance.

INFORMATION MANAGEMENT

The NCC focused on implementing the processes and technology to make information technology security and the security of information compliant with the recently implemented Policy on Government Security, by April 2012. To support the technical work under way, an awareness program was launched to make employees aware of the need to secure their information.

During the year, plans to launch a client relation management system were implemented. In 2009–2010, user requirements were developed and a framework for implementing the project by 2012–2013 established. This system will consolidate the NCC's client management capabilities, and allow it to be more responsive to clients, monitor trends, and identify issues and opportunities as they arise.

RISK AND RISK MANAGEMENT

The Treasury Board of Canada Secretariat considers enterprise risk management to be an essential component of modern management in the federal public service. It helps departments and agencies to think more strategically and improves their ability to set common priorities. At the individual level, it helps all employees develop new skills and strengthens their ability to anticipate, assess and manage risk.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The NCC's enterprise risk management framework was approved in 2008–2009, but implementation was deferred pending the completion of the strategic review. Under this framework, the NCC identified the following:

- current inherent key risks and associated controls — the status of risk management, specifically the organization's level of risk tolerance and its ability and capacity to mitigate risks;
- the challenges and opportunities facing the implementation of enterprise risk management in the NCC.

The NCC has also developed the monitoring, tracking, control and training processes that will be required to implement enterprise risk management.

RE-ENGAGEMENT STRATEGY

The enterprise risk management project resumed in 2009–2010, with the development of a re-engagement strategy that calls for a phased-in approach for its implementation during 2010–2011. The strategy contains four components.

Integration Continue incorporating risk management into existing planning process and administrative functions.

Education Develop a training session to explain the use of the risk management process and provide it on the intranet to all personnel.

Promotion Use existing forums to promote the process for managing risks.

Monitoring Monitor the use of the risk management process through evaluations and surveys.

CORPORATE RISKS AND MITIGATION

The management of risks has been a core component of strategic planning at the NCC for many years. Although deeper and broader risks will be established under enterprise risk management, the following risks were identified in the 2010–2011 to 2013–2014 Summary of the Corporate Plan.

Mandate review Although the bill containing amendments to the *National Capital Act* remains under review by Parliament, the NCC is making improvements where it can and remains prepared to complete the proposed changes, once approved. This includes improved governance, openness and transparency; enhancements to the corporation's role as environmental steward; and the requirement to table a master plan for Canada's Capital Region every 10 years.

Funding Protecting the domestic economy from the global economic crisis is a top priority for the Canadian government. The NCC will not only be affected by the freeze in appropriations announced in the 2010 budget, as part of the government-wide strategic review exercise, the NCC's budget will also be reduced over the next three years to reflect the reallocation of the 5 percent lower-priority or lower-performing programs. Once the economy recovers, efforts to reduce the national debt could continue to affect government departments and organizations. The NCC will continue to fulfill its mandate by seeking efficiencies, examining revenue-generating opportunities and building partnerships.

Environment Canadians are increasingly concerned about the state of the environment, and have strong expectations regarding the preservation of their natural heritage. Environmental management and sustainable transportation are seen as important areas over which the NCC has significant influence. The use of NCC lands and their relationship with the transportation modes that use them will be a major focus of interest in the coming years.

Canada's Economic Action Plan During the 2009–2010 and 2010–2011 fiscal years, the NCC was granted \$2.0 million for bridge rehabilitation, \$3.5 million for environmental studies and remediation, and \$45.7 million for 18 other infrastructure projects in Ontario and Quebec as part of the government's efforts to stimulate the economy. These infrastructure projects must be completed by March 31, 2011. Although there are some risks associated with completing such a large number of projects in a compressed time frame, the NCC is confident that it has sufficient project management capacity to succeed. It will assess the need for mitigation measures as work progresses.

FUTURE ACCOUNTING AND REPORTING CHANGES

PUBLIC SERVICE ACCOUNTING STANDARDS

In February 2008, Canada's Accounting Standards Board confirmed that Canadian generally accepted accounting principles be superseded by International Financial Reporting Standards (IFRS) for fiscal years beginning or after January 1, 2011. As a result of a decision of the Public Sector Accounting Board (PSAB), it was decided that the NCC would also be required to adopt IFRS. However, in September 2009, the PSAB approved amendments to the Introduction to the Public Sector Handbook, under which the category for government business-type enterprises, which included the NCC, was eliminated.

The handbook identified three categories of organizations: government business enterprises, government not-for-profit organizations and other government organizations. While government business enterprises that are independent commercial agencies must adhere to IFRS, other government organizations were given the option to select the accounting standard that best suited their needs and objectives. After an analysis of the various factors provided by the PSAB to guide that decision, the NCC concluded that public sector accounting standards best satisfied the needs of the NCC and the users of its financial statements. It will adopt these standards by April 1, 2011.

STANDARD ON QUARTERLY FINANCIAL REPORTS FOR CROWN CORPORATIONS

Amendments to the *Financial Administration Act* will require the NCC, as a parent Crown corporation, to prepare and make public quarterly financial reports in accordance with the Standard on Quarterly Financial Reports for Crown Corporations. The standard takes effect on April 1, 2011. The quarterly report will consist of unaudited financial statements and a narrative discussion outlining financial results; risks; and significant changes in operations, personnel and programs. The financial statements will present the current fiscal quarter and the current fiscal year-to-date, as well as provide comparative information for the preceding fiscal year.

The NCC will be proceeding to prepare for implementing the standard in 2010–2011, by capturing comparative financial information and making changes to its reporting regime and internal schedules.

KEY PERFORMANCE INDICATORS

The operating performance of the NCC is measured through a series of objectives/expected results, performance indicators and targets. The table below documents the corporation's performance against targets set in the 2009–2010 to 2013–2014 Summary of the Corporate Plan.

BREAKDOWN OF SCORING SCALE

Target met The branch achieved the target (within 5%) or exceeded the target for the period in review. "Target met" can also be used for long-term projects.

Partially met The branch achieved 75% to 95% of the target for the period in review.

On track Used for long-term projects with no clearly defined milestones for the period in review, but where substantial progress toward the long-term goal has been made.

Not met The branch achieved less than 75% of the target for the period in review. "Not met" can also be used in cases where targets are modified or projects are deferred.

Not evaluated Used for long-term projects, where target achievement can be determined only upon completion.

N/A Used in cases where targets are not applicable.

KEY EXPECTED OUTPUTS 2009–2010	RESULTS 2009–2010	RESULTS 2008–2009*
ANIMATING AND PROMOTING THE CAPITAL		
Events, Interpretation Programs and Commemorations		
<i>Programming Events</i>		
Maintain annual attendance at flagship events and programs: a) Sound and Light Show (target, 250,000); b) Canada Day (target, 325,000); c) Winterlude (target, 600,000).	Target met: a) Sound and Light Show (233,000) b) Canada Day (350,000, as per visual counts) c) Winterlude (600,000, as per visual counts)	Target met: a) Sound and Light Show (218,000) b) Canada Day (466,000) c) Winterlude (457,000)
Annually, continue to enter into partnership arrangements with at least 10 federal departments or agencies.	Target met: 20 federal partnerships formed	Target met: 21 federal partnerships formed
<i>Interpretation and Outreach</i>		
Maintain annual visitation and reach: a) Parliament Hill programs (target, 700,000 visits); b) Capital Infocentre services (target, 325,000 visitors).	Target met: a) Parliament Hill programs (741,000) b) Capital Infocentre services (318,670)	Target met: a) Parliament Hill programs (690,900) b) Capital Infocentre services (318,200)
Youth Program reach (target, 500,000 in 2009–2010 and 600,000 by 2013–2014).	Target met: 500,000 youth were reached	Target met: 500,000 youth were reached
In 2009–2010, initiate the renewal of the Capital Infocentre for completion in 2011–2012.	On track: Project completion rate currently at 25%	N/A
<i>Commemorations and Public Art</i>		
Develop and implement an awareness program of commemorative opportunities in the Capital, with a focus on under-represented themes, to attract a minimum of five new commemoration requests annually over the planning period.	Target met: Six new commemoration requests were received.	Target met: Nine new commemoration requests were received.
Mark and support significant national anniversaries identified in Canadian Heritage's five-year commemoration plan (2008–2012).	Target met: Seven national anniversaries were marked and supported.	Target met: Seven national anniversaries were marked and supported.

* Based on 2008–2009 key expected outputs.

KEY EXPECTED OUTPUTS 2009–2010	RESULTS 2009–2010	RESULTS 2008–2009*
ANIMATING AND PROMOTING THE CAPITAL		
Marketing and Communications		
Maintain an overall positive tone in media coverage at a level of at least 80 percent.	Target met: Overall tone of coverage was estimated as very positive.	Target met: Overall tone of coverage estimated as positive.
Establish at least two new strategic alliances and focus on high return on investment arrangements with major sponsors, by having at least 60 percent of sponsorship revenues generated by 10 multi-year sponsorship agreements.	Target partially met: Three new strategic alliances were established. Seven multi-year sponsorship agreements, representing 35 percent of sponsorship revenues.	Target met: Two new strategic alliances were established. Ten multi-year sponsorship agreements, representing 67 percent of sponsorship revenues.
CAPITAL PLANNING, DESIGN AND LAND USE		
Land Use Planning Framework and NILM Review		
Full revision of the 1999 Plan for Canada's Capital by 2012–2013.	On track	Target met: Evaluation and review complete.
Completion or revision of the land use planning framework at the master plan level (completion of Capital Urban Lands Master Plan and review of 1996 Greenbelt Master Plan) by 2011–2012.	On track	Target not met: Completion (Phase II) deferred to 2011–2012. Target not met: Review deferred to 2011–2012.
NILM review and non-NILM action plan by 2012–2013.	Target not met: Completion deferred to 2014–2015.	N/A
Transportation		
Phase II of the Environmental Assessment of Future Interprovincial Crossings and approvals, to be done over a three-year period, and to be completed by 2011–2012.	Target not met: Completion deferred to 2013–2014.	Target not met: Phase I completed. Phase II deferred to summer 2009.
Integration of interprovincial mass transit in the core area planning study, and approvals to be completed in 2009–2010.	Target not met: Completion deferred to 2010–2011.	On track: Study initiated, with completion planned for January 2010.
Federal Land Use and Design Approvals		
In 2009–2010, implement improvements to the federal land use and design approval process.	Target met	N/A
By 2011–2012, achieve a level of stakeholder satisfaction of at least 75 percent relative to the clarity of the federal land use and design approval process and information available.	Not evaluated: Long-term target.	N/A

* Based on 2008–2009 key expected outputs.

KEY EXPECTED OUTPUTS 2009–2010	RESULTS 2009–2010	RESULTS 2008–2009*
REAL ASSET MANAGEMENT		
Core Capital Projects		
<i>Major Revitalization Projects</i>		
Canlands “A”: Complete redevelopment by 2012–2013.	On track	On track
LeBreton Flats: a) In 2009–2010, determine the approach and obtain approvals for the redevelopment of remaining non-NILM lands, and thereafter initiate redevelopment activities. b) Advance the development of Blocks U and T for completion by 2013–2014.	a) Partially met: Completion deferred to 2010–2011. b) On track	a) N/A b) Target not met: Discussions ongoing for the sale of Blocks U and T.
Land and Real Asset Management		
<i>Environmental Leadership</i>		
Establish, in 2009–2010, a corporate environmental strategy and specific action plan, and initiate implementation.	Target met: Strategy being implemented.	On track: Work was initiated.
Implement a risk management plan for all contaminated NCC sites.	On track	On track
Conduct studies within the corporate natural research program to implement the recommendations of the ecosystem conservation plan.	Target met	On track
<i>Operations and Maintenance</i>		
Annually ensure that 99 percent of assets for public use are open, available and in safe condition.	Target met	Target met
In 2009–2010, implement a renewed priority-based approach for the Multi-Year Capital Program, and evaluate its impact on efficiency and capacity to deliver.	Target met	N/A

* Based on 2008–2009 key expected outputs.

KEY EXPECTED OUTPUTS 2009–2010	RESULTS 2009–2010	RESULTS 2008–2009*
REAL ASSET MANAGEMENT		
Land and Real Asset Management		
<i>The Outdoor Capital</i>		
Renew the Rideau Canal Skateway Strategic Plan, focusing on the new management operation model and on the greening strategy, to minimize the environmental impact of the program.	On track	On track
For Gatineau Park, by the end of 2010–2011: a) complete a recreational services plan and a heritage conservation plan; and b) eliminate motorized off-road activities on trails and back-country roads.	a) On track: Completed key preliminary phases toward the 2010–2011 goal. b) On track	a) On track: Project plans completed. b) On track
Develop a five-year action plan to implement the key recommendations of the strategic plan for the Capital Pathway network.	Target met	Target met
Official Residences		
Continue to implement the priorities identified in the Multi-Year Capital Program, with a focus on the rehabilitation of 24 Sussex.	On track	On track
Payments in Lieu of Municipal Taxes		
Annually, by the taxation year due date, pay 100% of payments in lieu of taxes on NCC properties to taxing authorities, except for payments being challenged under the <i>National Capital Act</i> and the <i>Payments in Lieu of Taxes Act</i> .	Target met: 100% of payments were made on time.	Target met: 100% of payments were made on time.

* Based on 2008–2009 key expected outputs.

KEY EXPECTED OUTPUTS 2009–2010	RESULTS 2009–2010	RESULTS 2008–2009*
CORPORATE SERVICES		
Governance and Public Affairs		
Governance		
In 2009–2010, the NCC will: a) complete the review and update of the governance framework and by-laws; b) implement a code of conduct for employees; c) receive the first annual report of the ombudsman; d) implement the enterprise risk management framework, and thereafter continue to improve risk assessment methods and management.	a) Target partially met: Review was completed, but update was deferred to 2010–2011. b) Target partially met c) Target met d) Target partially met	a) Target not met b) N/A c) N/A d) On track
Public Affairs		
During the planning period, the NCC will focus on improving its client service.	Target met	N/A
Central Services		
Complete the conversion to International Financial Reporting Standards by April 1, 2011.	On track: The NCC will now be converting to public sector accounting standards by April 1, 2011.	On track
Complete the internal audit plan, and report to the Corporate Audit and Evaluation Committee.	Target met	Target met
In 2009–2010, develop and implement a multi-year evaluation plan.	Partially met	N/A
Human Resources		
In 2009–2010, perform the review of the employment equity plan.	Target met	N/A

* Based on 2008–2009 key expected outputs.

OUTLOOK

As the NCC enters 2010–2011, many of the issues and priorities identified in the 2009–2010 annual report are constant: infrastructure, transportation, densification, demography and technology.

Infrastructure remains a priority as the NCC endeavours to deal with the mounting issues created by the aging of the federal properties such as the official residences and deteriorating pavement on NCC parkways. At the same time, the corporation will upgrade services to its properties and redevelop streetscapes as the municipalities rehabilitate the aging infrastructure for which they are responsible.

The NCC will continue to play a lead role in facilitating improvements in interprovincial transportation and developing alternative modes of transportation. And the corporation must continue to seek strategies to accommodate growth in Canada's Capital Region without compromising its environmental integrity. In addition to the NCC's marketing and communications programs to reach all Canadians, specific initiatives will be aimed at reaching out to youth, new immigrants and Canadians who do not live close to the Capital.

Finally, many of these initiatives will depend upon new technologies to ease the NCC's ability to reach more Canadians and involve them in the corporation's decision-making process. During 2010–2011, the NCC website will be re-invented to make it more interactive. The implementation of new technology will also enable the NCC to create a more responsive client management system.

In 2017, Canada will mark the 150th anniversary of Confederation, and Canada's Capital Region will be an important centre of celebrations for Canada. This is a major milestone, and the NCC has already started developing plans as it continues to fulfill its mission to build national pride and unity.

2009–2010 financial statements

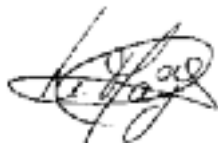
MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 generally accepted accounting principles and, where appropriate, they include amounts that have been estimated according to management's best judgment. Financial information presented elsewhere in this annual report is consistent with that shown in the financial statements.

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

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

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



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



Pierre Désautels, CMA
Executive Director, Finance and Procurement, and
Chief Financial Officer

June 4, 2010



Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister of Transport, Infrastructure and Communities

I have audited the balance sheet of the National Capital Commission (NCC) as at March 31, 2010 and the statements of operations and comprehensive income, equity and cash flows for the year then ended. These financial statements are the responsibility of the NCC's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the NCC as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the NCC 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* and the by-laws of the NCC.

A handwritten signature in dark ink, reading 'John Rossetti'.

John Rossetti, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada

June 4, 2010

NATIONAL CAPITAL COMMISSION BALANCE SHEET

as at March 31 (in thousands of dollars)

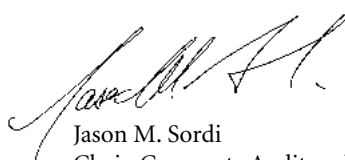
	2010	2009
ASSETS		
Current		
Cash and cash equivalents (note 3)	4,654	65,566
Short-term investments (note 3)	33,383	–
Accounts receivable		
Federal government departments and agencies	3,851	4,343
Tenants and others	3,838	3,931
Prepaid expenses	2,829	3,285
	48,555	77,125
Long-term receivable (note 4)	1,908	2,085
Long-term investments (note 3)	19,584	–
Restricted cash and cash equivalents and investments (note 3)	68,075	72,504
Capital assets (note 5)		
Property and equipment	544,449	515,863
Intangible assets	497	302
	683,068	667,879
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Federal government departments and agencies	1,857	2,104
Others	20,218	17,055
Current portion of provision for environmental cleanup (note 13)	3,600	2,200
	25,675	21,359
Deferred capital funding (note 8)	236,163	236,811
Provision for environmental cleanup (note 13)	35,739	27,663
Employee future benefits (note 6)	6,659	6,915
Deferred rental revenue (note 7)	4,717	4,820
Deferred rent inducement	1,765	1,947
Other long-term liabilities	397	1,335
Unsettled expropriations of property and land exchanges	1,796	1,794
	312,911	302,644
Commitments and contingencies (notes 12 and 13)		
EQUITY	370,157	365,235
	683,068	667,879

The notes are an integral part of the financial statements.

Approved by the Board of Directors



Russell Mills
Chair, Board of Directors



Jason M. Sordi
Chair, Corporate Audit and Evaluation Committee

NATIONAL CAPITAL COMMISSION STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

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

	2010	2009
Revenue		
Rental operations and easements	19,350	18,992
Interest	1,445	4,286
Net gain on disposal of property and equipment	2,289	2,123
Sponsorship		
Monetary	1,057	1,390
Goods and services (note 14)	224	949
Headquarters sublease	1,821	1,801
User access fees	2,041	1,965
Other fees and recoveries	9,130	6,624
	37,357	38,130
Cost of Operations (notes 9 and 10)		
Animating and promoting the Capital	24,194	22,379
Capital planning, design and land use	4,463	3,647
Real asset management and stewardship	79,870	94,740
Corporate services	29,476	28,015
	138,003	148,781
Net comprehensive loss before funding from the Government of Canada	(100,646)	(110,651)
Funding from the Government of Canada		
Parliamentary appropriations for operating expenditures (note 11)	85,387	78,703
Amortization of deferred capital funding (note 8)	18,126	21,055
	103,513	99,758
Net Comprehensive Income (Loss)	2,867	(10,893)

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION STATEMENT OF EQUITY

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

	2010	2009
Retained Earnings		
Balance at beginning of year	365,235	376,062
Net comprehensive income (loss)	2,867	(10,893)
Parliamentary appropriations to acquire and improve non-depreciable capital assets (note 11)	2,055	66
Balance at end of year	370,157	365,235

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION

STATEMENT OF CASH FLOWS

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

	2010	2009
Cash flows from operating activities		
Cash receipts from parliamentary appropriations for operating activities	86,855	77,711
Cash receipts from rental operations and easements	18,253	19,435
Cash receipts from other operations	12,734	10,305
Cash paid to suppliers and employees	(116,085)	(111,280)
Interest received	1,820	4,865
Disbursements for contaminated sites	(2,242)	(1,669)
Cash flows from (used in) operating activities	1,335	(633)
Cash flows from investing activities		
Purchases and improvements to property and equipment	(34,044)	(23,290)
Purchases and development of intangible assets	(398)	(71)
Proceeds from disposal of property and equipment	2,845	2,882
Disbursements for environmental cleanup	(1,300)	–
Net change in short-term investments	(33,383)	–
Net change in restricted cash and cash equivalents	13,720	(5,614)
Net change in restricted short-term investments	(9,066)	8,900
Disbursements for long-term investments	(19,731)	–
Disbursements for restricted long-term investments	(1,229)	(1,600)
Cash receipts from restricted long-term investments	806	1,210
Cash flows used in investing activities	(81,780)	(17,583)
Cash flows from financing activities		
Cash receipts from parliamentary appropriations to acquire and improve capital assets	19,533	25,134
Cash flows from financing activities	19,533	25,134
(Decrease) Increase in cash and cash equivalents	(60,912)	6,918
Cash and cash equivalents at beginning of year	65,566	58,648
Cash and cash equivalents at end of year	4,654	65,566

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2010

1. AUTHORITY AND OBJECTIVES

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies.

A. Adoption of new accounting standards

Effective April 1, 2009, the NCC adopted the following accounting standards from the Canadian Institute of Chartered Accountants (CICA).

i. Section 3064 — Goodwill and Intangible Assets

In February 2008, the CICA issued this section which replaced CICA Section 3062 — Goodwill and Other Intangible Assets and Section 3450 — Research and Development Costs. The new section provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this section had no impact on the results of operation or the financial position of the NCC. However, it had an impact on the disclosure of the intangible assets of the NCC, which are now disclosed separately on the balance sheet and in note 5.

ii. Section 3855 — Financial Instruments — Recognition and Measurement

In June and August 2009, the CICA issued various amendments to this section to change the categories into which certain debt investments are required or permitted to be classified and to require the reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances. These amendments had no impact on the operating results or the financial position of the NCC.

iii. Section 3862 — Financial Instruments — Disclosures

In June 2009, the CICA amended this section to improve fair value and liquidity risk disclosures. Section 3862 now requires that all financial instruments measured at fair value be categorized and disclosed using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. These amendments had no impact on the operating results or the financial position of the NCC. However, they had an impact on the information disclosed in note 16 D.

iv. Section 1000 — Financial Statement Concepts

In February 2008, the CICA removed a reference to recognition of items as assets and liabilities solely on the basis of matching of net income elements. These amendments had no significant impact on the operating results or the financial position of the NCC.

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 carried at fair value.

C. Capital assets

Property and equipment and intangible assets are referred to collectively as capital assets. Capital assets are generally recorded at cost. The NCC's capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. An impairment loss is recognized when the carrying amount of a capital asset is not recoverable, and exceeds its fair value. The impairment loss is measured as the amount by which the carrying amount exceeds its fair value. Properties acquired for a nominal value or by donation are recorded as non-monetary transactions, at fair value at the time of acquisition or at the nominal value if the fair value cannot reasonably be determined. Antiques or works of art of the NCC and those donated to the Canadiana Fund are recorded as donated capital assets, and are recorded as a non-monetary transaction at fair value at the time of donation. If the fair value cannot reasonably be determined, the transaction is recorded at nominal value. Gains from donations subject to externally imposed stipulations are recorded in other comprehensive income. Gains resulting from unrestricted donations are recognized in the statement of operations and comprehensive income as other fees and recoveries, if the transaction was concluded with a non-related party; otherwise, they are recognized on the statement of equity as retained earnings. Improvements that extend the useful life of buildings and equipment are capitalized and amortized according to their respective asset class. Land improvements and development costs are also capitalized.

D. Amortization

Amortization of capital assets in use is charged to operations in equal annual amounts, based on the cost of the assets and their estimated useful life, as follows.

Property and equipment

Buildings	20 years
Parkways, roadways and bridges	25 years
Park landscaping and improvement	20 and 25 years
Leasehold improvements	The shorter of either the term of the lease or the estimated useful life of the asset
Machinery and equipment	5 and 10 years
Office furniture and equipment	10 years
Vehicles	5 years
Computer and communications equipment	3 years
Antiques and works of art	Not amortized

Intangible assets

Software and website	3 and 5 years
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E. Property and equipment held for sale

The NCC records a property and equipment as held for sale when the following criteria are met: the sale of the capital asset is approved, the capital asset is available for immediate sale, an active program to locate a buyer has been initiated, the sale within one year is probable, the capital asset is being actively marketed at a reasonable price and actions required to complete the sale indicate that it is unlikely that the sale will be withdrawn. The capital asset held for sale is measured at the lower of its carrying amount or fair value less cost to sell, and is not amortized while classified as held for sale. A capital asset to be disposed of other than by sale is classified as held for sale and used until it is disposed of. Amortization estimates are revised to reflect the use of the capital asset over its shortened useful life.

F. Non-monetary transactions

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

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

G. Employee future benefits

i. Pension Benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The NCC's contributions are currently based on a multiple of an employee's required contributions, and may change over time depending on the experience of the plan. The NCC's contributions are expensed during the year in which the services are rendered, and represent the total pension obligation of the NCC. The NCC is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

ii. Other Benefit Plans

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

Severance Benefits Employees are entitled to severance benefits, as provided for under collective agreements and the terms of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The cost of the benefits earned by employees is actuarially determined, using the projected benefit method, prorated on services. The valuation of the liability is based upon a current market-related discount rate and salary projections, as well as demographic assumptions. This represents management's best long-term estimates. Actuarial losses arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial loss over 10 percent of the accrued benefit obligation is amortized on the average remaining service period of active employees covered by this plan, which is 12 years for the years ended March 31, 2009, and 2010. The actuarial loss is not amortized when it represents less than 10 percent of the accrued benefit obligation.

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

H. Provision for environmental cleanup

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

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

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

I. Deferred rent inducement

The NCC currently leases its headquarters office space. Moving expenses and major leasehold improvements incurred by the lessor to accommodate NCC needs have been recorded as deferred rent inducement as at the effective date of the lease, and are amortized over the term of the lease. The amortization of the rent inducement is recorded against the "Goods and services" expense (note 10).

J. Unsettled expropriations of property and land exchanges

Unsettled expropriations of property and land exchanges are recorded on the basis of real property appraisal performed by certified appraisers and other domain experts, in addition to other expenses incurred during the expropriation process.

K. Revenue recognition

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

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

L. Parliamentary appropriations

Parliamentary appropriations for operating expenditures and for grants and contributions to other levels of government and other authorities are included in the statement of operations and comprehensive income in the year for which they were approved.

Parliamentary appropriations to acquire and improve depreciable capital assets are recorded as deferred capital funding on the balance sheet, and are amortized on the same basis and over the same periods as the related capital assets. Upon disposition of depreciable capital assets, all remaining deferred capital funding related to the specific capital assets is recognized into income. Parliamentary appropriations to acquire and improve non-depreciable capital assets are recorded as retained earnings in the statement of equity.

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.

The NCC annually reviews contracts that could contain embedded derivatives. An embedded derivative is a component of a hybrid instrument or another contract that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instruments vary in a way similar to a stand-alone derivatives. As a result of this review, the NCC has not discovered any embedded derivative that must be separated from the host contract and recognized as a derivative.

Financial assets and liabilities are initially recorded at fair value and their subsequent measurement depends on their classification, as described below. The classification is determined when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The NCC has made the following classifications.

- Cash and cash equivalents, restricted cash and cash equivalents, long-term investments and restricted long-term investments are classified as financial assets held for trading, and are measured at fair value. Gains and losses related to periodical revaluation are recorded in the statement of operations and comprehensive income as interest revenue. Transaction costs are recorded in the statement of operations and comprehensive income in the period in which they are incurred.
- Short-term investments and restricted short-term investments are classified as financial assets held to maturity and are measured at amortized cost using the effective interest rate method.
- Accounts receivable are classified as loans and receivables and are measured at amortized cost using the effective interest rate method.
- Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost using the effective interest rate method.

Subsequent fair values are determined using the following fair value measurements. Each level is based on the significance of the inputs used to measure the fair value of assets and liabilities.

Level 1 Inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs for the asset or liability that are not based on observable market data.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

N. Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and cost of operations during the reporting period. Provision for environmental cleanup, employee future benefits, unsettled expropriations of property and land exchanges, estimated useful lives of capital assets, capital assets impairment loss and contingent liabilities are the most significant items for which estimates are used. Actual results could materially differ from those estimates.

O. Future accounting changes: Public sector accounting standards

In September 2009, the Public Sector Accounting Board approved an amendment to the Introduction to public accounting standards, which led to the removal of the “government business-type organization” classification from the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook. As a result of this amendment, the NCC, which was a “government business-type organization,” is now classified as “other government organizations”. The “other government organizations” would generally base their accounting policies on Public Sector Accounting Standards, but are allowed to adopt International Financial Reporting Standards when determined to be the most appropriate basis of accounting. However, the NCC concluded that Public Sector Accounting Standards were the most appropriate basis of accounting to respond to the needs of the users of its financial statements. Therefore, the NCC will be converting from Canadian generally accepted accounting principles (GAAP) to Public Sector Accounting Standards for the fiscal period beginning on April 1, 2011.

Public Sector Accounting Standards use a conceptual framework similar to Canadian GAAP, but there are certain differences in terms of recognition, measurement and disclosures. As a result, a conversion plan was developed, and a detailed impact assessment was undertaken to identify differences, to assess their impact and, if needed, to analyze the various accounting policies that the NCC could elect to adopt. As implications of the conversion are identified, the impacts on information technology and data systems will be assessed.

3. CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS, LONG-TERM INVESTMENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

A. Cash and cash equivalents

As at March 31, 2010, the cash and cash equivalents include \$4.7 million (\$10.5 million in 2009) in cash. In addition, as at March 31, 2009, cash and cash equivalents included bankers’ acceptances and bearer deposit notes, which amounted to \$55.1 million at a weighted average interest rate of 0.6 percent.

B. Short-term investments

As at March 31, 2010, short-term investments include bankers’ acceptances and bearer deposit notes, which amounted to \$33.4 million (\$0 in 2009) at a weighted average interest rate of 0.6 percent and have an average term-to-maturity of 12 months.

C. Long-term investments

As at March 31, 2010, long-term investments include bonds of the provincial governments, which amounted to \$19.6 million (\$0 in 2009) at a weighted average interest rate of 3.7 percent. These investments are measured at fair value.

D. Restricted cash and cash equivalents and investments (in thousands of dollars)

	2010	2009
Restricted cash and cash equivalents	–	13,720
Restricted short-term investments	60,750	51,684
Restricted long-term investments	7,325	7,100
	68,075	72,504

As at March 31, 2009, restricted cash and cash equivalents included bankers' acceptances and bearer deposit notes, which amounted to \$13.7 million at a weighted average interest rate of 0.6 percent.

As at March 31, 2010, restricted short-term investments include bankers' acceptances and bearer deposit notes, which amounted to \$60.8 million (\$51.7 million in 2009) at a weighted average interest rate of 0.6 percent (2.1 percent in 2009) and have an average term-to-maturity of 12 months (seven months in 2009).

As at March 31, 2010, restricted long-term investments include bonds of the Government of Canada and of provincial governments, which amounted to \$7.3 million (\$7.1 million in 2009) at a weighted average interest rate of 4.8 percent (4.9 percent in 2009). These investments are measured at fair value.

Restricted cash and cash equivalents and investments include funds whose use is restricted or limited to the sole purpose for which they have been segregated. The following funds are segregated:

- i. cash donations received for the Canadiana Fund in the amount of \$9,163 (\$9,134 in 2009);
- ii. funds of \$1.7 million (\$1.9 million in 2009) for the revitalization of Sparks Street in Ottawa;
- iii. funds of \$2.1 million (\$1.1 million in 2009) for the rehabilitation of the official residences;
- iv. funds of \$11.7 million (\$13.9 million in 2009) for the redevelopment of LeBreton Flats;
- v. funds of \$2.4 million (\$2.4 million in 2009) for the redevelopment of industrial lands on the north shore of the Ottawa River;
- vi. funds of \$10.0 million (\$10.0 million in 2009) for improvements to the shoreline area of Jacques-Cartier Street in Gatineau; and
- vii. funds of \$40.1 million (\$43.3 million in 2009) to acquire real property or to support other major programs, as may be authorized by Treasury Board of Canada Secretariat and the Governor-in-Council. During the year, proceeds on disposal and interest revenues amounted to \$3.0 million (\$3.9 million in 2009), whereas acquisitions and disposal expenses were \$6.2 million (\$3.5 million in 2009).

4. LONG-TERM RECEIVABLE

As part of a non-monetary transaction carried out during 2001–2002, the NCC gave up properties and is committed to render services to the former City of Hull. In exchange, the City also gave up properties and is committed until 2022 to maintain parks and roads that belong to the NCC. As of March 31, 2010, the unamortized present value of these maintenance services, discounted at the interest rate of 6.5 percent, amounts to \$1.9 million (\$2.1 million in 2009). This long-term receivable is recognized on a straight line basis, and the expense of \$177,000 is included under goods and services in note 10. An impairment loss is recognized when the carrying amount of the long-term receivable is not recoverable and exceeds its fair value. During the year, no impairment loss was recognized.

5. CAPITAL ASSETS

(in thousands of dollars)

	MARCH 31, 2010						MARCH 31, 2009
	Land	Buildings and Infrastructure	Equipment	Total Cost	Accumulated amortization	Net Book Value	Net Book Value
PROPERTY AND EQUIPMENT							
Land, Buildings and Infrastructure¹							
Greenbelt	27,386	33,240	—	60,626	27,534	33,092	33,587
Gatineau Park	27,455	19,149	—	46,604	14,095	32,509	28,189
Parkways	33,692	129,435	—	163,127	83,077	80,050	78,366
Parks	24,366	76,999	—	101,365	41,650	59,715	59,368
Bridges and approaches	263	78,269	—	78,532	39,784	38,748	39,608
Historical properties	126	85,480	—	85,606	46,739	38,867	34,572
Recreational facilities	20,682	24,071	—	44,753	18,569	26,184	25,603
Rental properties	78,708	93,004	—	171,712	49,111	122,601	123,256
Development properties	56,152	25,412	—	81,564	8,059	73,505	56,184
Unsettled expropriations and land exchanges	1,797	—	—	1,797	—	1,797	1,794
Administrative and service buildings	6,654	22,616	—	29,270	14,027	15,243	14,325
	277,281	587,675	—	864,956	342,645	522,311	494,852
Leasehold Improvements	—	16,377	—	16,377	10,105	6,272	6,806
Equipment							
Machinery and equipment	—	—	6,791	6,791	4,527	2,264	2,282
Office furniture and equipment	—	—	3,005	3,005	2,831	174	32
Vehicles	—	—	1,800	1,800	1,415	385	339
Computer and communications equipment	—	—	1,841	1,841	1,444	397	279
Antiques and works of art							
Canadiana Fund	—	—	8,402	8,402	—	8,402	8,009
Other	—	—	4,244	4,244	—	4,244	3,264
	—	—	26,083	26,083	10,217	15,866	14,205
Total of property and equipment	277,281	604,052	26,083	907,416	362,967	544,449	515,863
INTANGIBLE ASSETS							
Software and website	—	—	3,314	3,314	2,817	497	302
Total of intangible assets	—	—	3,314	3,314	2,817	497	302
Total	277,281	604,052	29,397	910,730	365,784	544,946	516,165

1. The total cost of land, buildings and infrastructure includes \$29.4 million (\$17.8 million in 2009) of construction in progress. When completed, the cost of these projects will be amortized on the basis on their estimated useful life.

6. EMPLOYEE FUTURE BENEFITS

A. Pension benefits

The NCC and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are indexed annually on January 1 to the cost of living. The NCC's and employees' contributions to the Public Service Pension Plan for the year were as follows.

(in thousands of dollars)

	2010	2009
NCC's contributions	5,285	4,795
Employees' contributions	2,782	2,306

B. Other benefit plans

The NCC provides severance benefits to its employees, based on years of service and final salary. The NCC also provides workers' compensation benefits, based on benefits determined by the Workplace Safety and Insurance Board of Ontario. The accrued benefit obligation for these plans amounts to \$7.4 million (\$7.7 million in 2009) and is included in the table below.

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

(in thousands of dollars)

	2010	2009
Accrued benefit liability, beginning of year	7,665	7,175
Cost for the year	590	624
Interest cost	276	297
Amortization of net actuarial loss	14	36
Benefits paid during the year	(1,136)	(467)
Accrued benefits liability, end of year	7,409	7,665
Current portion (included in accounts payable and accrued liabilities)	750	750
Long-term portion	6,659	6,915
	7,409	7,665

The severance benefits obligation and the expense for the year are determined by the NCC's actuary, using management's best estimates. The significant actuarial assumptions used to measure the NCC's obligation concern the discount rate (4 percent in 2010 and 4.25 percent in 2009), the future salary level and the workforce composition. The demographic assumptions, such as retirement rates and mortality rates, were taken from the actuarial valuation of the Public Service Pension Plan as at March 31, 2005.

The most recent actuarial valuation made by the NCC's actuary for the severance benefits was performed as at March 31, 2009. The next valuation will be carried out as at March 31, 2011, or before, if the effect of any change on the plan obligation is significant.

The value of workers' compensation obligation is determined based on actuarial data provided by the Workplace Safety and Insurance Board of Ontario.

7. DEFERRED RENTAL REVENUE

The deferred rental revenue represents the present value of the minimum future lease payments the NCC has collected under land lease agreements. The present value was established using discount rates of 6.01 percent and 6.5 percent. This deferred rental revenue will be recognized in income over the term of the lease agreements, which have different termination dates, with the latest ending in 2068. During the year, \$0.1 million (\$0.1 million in 2009) of deferred rental revenue was recognized in income.

8. DEFERRED CAPITAL FUNDING

(in thousands of dollars)

	2010	2009
Deferred balance at beginning of year	236,811	232,798
Parliamentary appropriations to acquire and improve depreciable capital assets (note 11)	17,478	25,068
Amortization of deferred capital funding	(18,126)	(21,055)
Deferred balance at end of year	236,163	236,811
Distributed as follows:		
Used deferred capital funding	224,585	211,713
Unused deferred capital funding	11,578	25,098
	236,163	236,811

9. PROGRAM ACTIVITY DEFINITIONS AND OBJECTIVES

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

Animating and Promoting the Capital

The objective of this program activity is to generate pride and promote unity through programming in the Capital. The main products are a series of high-impact events (notably Canada Day and Winterlude), interpretation programs and commemorations. As well, this activity works to increase Canada-wide awareness of the Capital through national marketing and communications campaigns.

Capital Planning, Design and Land Use

This program activity guides the planning and development of federal lands to ensure that their role and significance are appropriate for the Capital, as well as respectful of heritage and the natural environment. This activity involves preparing long-term visionary plans to guide the uses and development of the Capital's lands, identifying the National Interest Land Mass to be held in trust for future generations, as well as addressing interprovincial transportation and urban transit issues with provincial and municipal partners in Canada's Capital Region. The NCC also exercises its authority in reviewing and granting approvals for design, land use and transactions on federal property in Canada's Capital Region.

Real Asset Management and Stewardship

The objective of this program activity is to manage and protect physical assets owned by the NCC through a life cycle management program to enhance the rich cultural heritage and natural environment of Canada's Capital, to optimize the contribution of these assets in support of corporate programs, and to ensure that NCC assets are appropriately accessible to the public. Activities also include lease management, grounds maintenance for many federal organizations in Canada's Capital Region, the acquisition of properties of national interest, the disposal of surplus properties and the implementation of land development projects to enhance the Capital for future generations.

Corporate Services

This program activity provides centralized corporate services that promote the efficient and productive use of resources. This program activity produces documents and reports required by legislation; conducts all research and internal audits; supplies financial, technical, communications and administrative support to the NCC; and manages human resources.

10. COST OF OPERATIONS

Summary of expenses by major classification

(in thousands of dollars)

	2010	2009
Salaries and employee benefits	46,733	43,506
Goods and services	59,902	62,373
Goods and services in kind (note 14)	224	949
Payments in lieu of municipal taxes	10,284	10,429
Contributions	944	247
Amortization ¹	19,778	19,313
Redevelopment of LeBreton Flats ²	–	11,729
Impairment loss of property and equipment	34	235
Net loss on disposal of intangible assets	104	–
	138,003	148,781

1. Amortization of property and equipment amounted to \$19.7 million (\$19.0 in 2009), while amortization of intangible assets amounted to \$0.1 million (\$0.3 million in 2009).

2. This item represents the excess of redevelopment costs over the net fair value of the lands held for sale. These costs include remediation expenses, as well as a share of expenses incurred for infrastructure transferred to the City of Ottawa at the nominal value of \$1. Infrastructure transferred to the City includes water mains, sanitary and storm water sewers, and a portion of Wellington Street rebuilt as part of the redevelopment.

11. PARLIAMENTARY APPROPRIATIONS

(in thousands of dollars)

	2010	2009
Parliamentary appropriations for operating expenditures		
Amount received during the year	85,104	76,952
Receivable at end of year	283	1,751
Amount recorded on the statement of operations and comprehensive income	85,387	78,703
Parliamentary appropriations to acquire and improve capital assets		
Amount received for depreciable capital assets recorded on the balance sheet (note 8)	17,478	25,068
Amount received for non-depreciable capital assets recorded on the statement of equity	2,055	66
	19,533	25,134
Parliamentary appropriations approved during the year	104,920	103,837

12. COMMITMENTS

- i. The NCC has entered into agreements for services that amount to \$50.4 million (\$65.1 million in 2009) and office accommodation leases that amount to \$101.1 million (\$112.9 million in 2009). These agreements, which amount to \$151.5 million (\$178.0 million in 2009), have different termination dates, with the latest ending in 2047. As part of these agreements, contracts for the management and maintenance of a portion of the NCC's lands and properties amount to \$47.1 million (\$62.4 million in 2009).

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

(in thousands of dollars)

	LEASES	SERVICES	TOTAL
2010–2011	9,198	18,198	27,396
2011–2012	9,219	11,740	20,959
2012–2013	9,337	4,823	14,160
2013–2014	9,459	3,527	12,986
2014–2015	9,841	476	10,317

In addition to the previous agreements, the NCC is committed to contribute to the City of Gatineau an additional amount of \$10 million for a joint initiative in the improvement to the shoreline area of Jacques-Cartier Street. This amount will be added to the \$6.1 million contributed in 1996 for this project, and will be payable upon the signing of the construction contract between the City and the assigned contractor. The NCC estimates that this amount will be paid in 2010–2011.

- ii. The NCC has entered into contracts for capital expenditures of approximately \$14.1 million (\$9.4 million in 2009). Payments under these contracts are expected to be made within the next fiscal year.

13. CONTINGENCIES

A. Claims

Claims have been made against the NCC totalling approximately a net amount of \$3.6 million (\$13.8 million in 2009), excluding interest and other costs, for alleged damages and other matters. The final outcome of these claims is not determinable and, accordingly, these items are not recorded in the accounts. In the opinion of management, the position of the NCC is defensible. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which the liability is determinable. Finally, the NCC filed claims in the amount of \$0.1 million (\$6.9 million in 2009) to hold third parties responsible for environmental cleanup on some of its properties.

B. Environmental protection

As part of the Environmental Management Framework and the Acquisition and Disposal Program, the NCC has prioritized 1,486 property assets that qualify for environmental assessment. Following a preliminary assessment of 1,362 of these property assets, more detailed studies were conducted on a number of the properties to determine the degree of remediation required. Based on the detailed studies conducted thus far, the NCC recorded a liability for environmental cleanup of \$39.3 million (\$29.9 million in 2009) of which \$3.6 million (\$2.2 million in 2009) represents the current portion of the liability. In addition, the NCC assesses at \$431.6 million (\$447.0 million in 2009) the contingency not recorded in the financial statement. The contingency reflects the suspected costs and potential additional costs associated with situations where it is uncertain if the NCC is obligated, or it is unlikely that the NCC will incur full remediation costs.

14. NON-MONETARY TRANSACTIONS

A. Sponsorship in goods and services

During the year, the NCC entered into sponsorship agreements through which it received various goods or services. In exchange, the sponsors received various benefits, including exclusive marketing rights and visibility. These non-monetary transactions with unrelated parties were recorded equally in revenues and cost of operations. They were measured to \$0.2 million (\$0.9 million in 2009), which represents the fair value of the goods and services received.

B. Non-monetary non-reciprocal transfers

During the year, and in addition to the non-monetary transactions with related parties included in note 15, the NCC entered into the following non-monetary non-reciprocal transfers.

- i. During the year 2009–2010, the NCC transferred to the City of Ottawa, at a nominal value of \$1, parcels of lands that will be used for the southeast Transitway. This transaction, as it lacked commercial substance, was measured at \$0.3 million, representing the carrying amount of this portion transferred, and resulted in a net loss on disposal of property and equipment. This loss is included in the statement of operations and comprehensive income under “Net gain on disposal of property and equipment.” During the year 2008–2009, the NCC transferred to the City of Ottawa, at a nominal value of \$1, a portion of Wellington Street that was rebuilt as part of the redevelopment of the LeBreton Flats project. This transaction, as it lacked commercial substance, was measured at \$11.7 million, representing the carrying amount of this portion transferred, and resulted in a net loss on disposal of capital assets. This loss is included in note 10 under “Redevelopment of LeBreton Flats.”
- ii. The Canadiana Fund received donations of antiques and works of art, which were measured and recorded at the fair value, since these transactions had commercial substance. The value of these donations of \$0.4 million (\$1 million in 2009) was recorded as capital assets in note 5 under the heading “Antiques and works of art, Canadiana Fund” with an equal amount in the statement of operations and comprehensive income under “Other fees and recoveries.”

15. RELATED PARTY TRANSACTIONS

The NCC is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations, and is mainly financed 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 \$8.3 million (\$8.7 million in 2009) for utilities, rental of space, capital assets and services purchased from other government departments and agencies, and earned revenues totalling \$9.7 million (\$9.7 million in 2009) from services rendered, rental operations and sales of capital assets. Furthermore, the prepaid expenses include \$0.1 million (\$0.1 million in 2009) associated with related parties.

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, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. Financial instruments that potentially subject the NCC to concentrations of credit risk consist of cash and cash equivalents, restricted cash and cash equivalents, short-term investments, restricted short-term investments, long-term investments, restricted long-term investments, and accounts receivable.

The maximum exposure of the NCC to credit risk at March 31, 2010 is as follows.

(in thousands of dollars)

	2010	2009
Cash and cash equivalents	4,654	65,566
Short-term investments	33,383	–
Accounts receivable		
Federal government departments and agencies	3,851	4,343
Tenants and others	3,838	3,931
Restricted cash and cash equivalents	–	13,720
Restricted short-term investments	60,750	51,684
Restricted long-term investments	7,325	7,100
Long-term investments	19,584	–
	133,385	146,344

The credit risk associated with cash and cash equivalents, restricted cash and cash equivalents, short-term investments and restricted short-term investments is minimized substantially by ensuring that cash surpluses are invested in highly liquid investments. The NCC's policy is to invest cash surpluses with well-established financial institutions in the following types of investments: guaranteed investment certificates, bankers' acceptances, guaranteed notes, term deposits, and securities of the Government of Canada or of a provincial government. At March 31, 2010, these financial assets are invested in bankers' acceptances and bearer deposit notes (note 3). Management believes the risk of loss is remote.

The credit risk associated with long-term investments and restricted long-term investments is minimized substantially by ensuring that this asset is invested in bonds of the Government of Canada and of provincial governments (note 3).

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

Management believes concentrations of credit risk with respect to accounts receivable are limited due to the credit quality of the parties, extended credit, as well as the large number of governmental, municipal and smaller customers. At March 31, 2010, accounts receivable from governmental or municipal entities comprised 50 percent (52 percent in 2009) of the total amounts due.

The following table presents an analysis of the age of accounts receivable not allowed for as at March 31, 2010.

(in thousands of dollars)

	2010	2009
Accounts receivable net of allowance for doubtful accounts:		
Less than 30 days past billing date	2,446	1,915
30–60 days past billing date	1,252	667
61–90 days past billing date	301	436
Greater than 90 days past billing date	917	1,272
	4,916	4,290
Allowance for doubtful accounts	(292)	(128)
Other receivables	3,065	4,112
	7,689	8,274

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

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

(in thousands of dollars)

	2010	2009
Allowance for doubtful account		
Balance at beginning of year	128	160
Bad debt expense	171	(8)
Amounts written off and recoveries	(7)	(24)
Balance at the end of year	292	128

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

B. Liquidity risk

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

The following table presents an analysis of the estimated maturities of the financial liabilities as at March 31, 2010.

(in thousands of dollars)

	2010
Financial liabilities:	
Less than 90 days	18,269
90–365 days	2,888
Greater than a year	–
	21,157

C. Market risk

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

The interest rate exposure of the NCC arises from its interest-bearing assets. These assets are cash and cash equivalents, restricted cash and cash equivalents, short-term investments, restricted short-term investments, long-term investments and restricted long-term investments. The primary objective of the NCC with respect to its interest-bearing assets is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return. The NCC has no interest-bearing liabilities. The interest revenue for the year ended March 31, 2010, for short-term investments and restricted short-term investments classified as financial assets held to maturity is \$0.8 million (\$2.5 million in 2009).

The NCC manages its exposure to the interest rate risk of its cash and cash equivalents, restricted cash and cash equivalents, short-term investments, restricted short-term investments, long-term investments and restricted long-term investments by maximizing the interest income earned on excess of funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest could have an effect on the NCC's interest revenue derived from these financial assets. If interest rates for the year ended March 31, 2010, had been 50 basis points lower or higher, with all other variables held constant, interest revenue for the same period would have been \$701,980 (\$696,996 in 2009) higher or lower, respectively.

At March 31, 2010, the NCC had \$19.6 million of long-term investments and \$7.3 million (\$7.1 million in 2009) of restricted long-term investments exposed to interest rate risk. If interest rates at that date had been 50 basis points lower or higher, with all other variables held constant, unrealized gains on long-term investments and restricted long-term investments held for trading would have been \$887,976 (\$170,400 in 2009) higher or lower, respectively, arising as a result of an increase or decrease in the fair value of these long-term investments and restricted long-term investments.

D. Fair values

The fair value of a financial instrument is the estimated amount that the NCC would receive or pay to settle a financial asset or financial liability as at the reporting date. This fair value is categorized using the hierarchy which reflects the significance of the inputs used to realize the measurement in accordance with the accounting policy of the NCC. The fair value of cash and cash equivalents, short-term investments, restricted short-term investments, long-term investments, restricted cash and cash equivalents and investments were determined using the first hierarchy level, which are quoted prices in active markets for identical assets.

The fair values calculated approximate the amounts for which the financial instruments could be settled between consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments.

The fair value of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and accounts payable, and accrued liabilities approximate their carrying values due to their short-term nature.

The fair value of short-term investments and restricted short-term investments is not significantly different from their respective carrying value at March 31, 2010, and 2009, due to their impending maturity.

During the year, the fair value of long-term investments and restricted long-term investments classified as held for trading decreased by \$314,615 (\$5,699 in 2009), and the unrealized net loss was recorded in the statement of operations and comprehensive income with interest revenue.

17. CAPITAL MANAGEMENT

The NCC's capital is its equity, which comprises retained earnings. Retained earnings consist of the accumulated income arising from operations and contributions made by and to the Government of Canada.

The NCC is not subject to externally imposed capital requirements. However, the NCC is heavily reliant on parliamentary appropriations for funding and is subject to Part X of the *Financial Administration Act*, which imposes restrictions in relation to borrowings. The NCC manages its equity on a regular basis through its budgeting process to ensure that it achieves its objectives and purpose. There has been no change in capital management from the previous period.

18. CANADIANA FOUNDATION

The Canadiana Foundation (the "Foundation") was incorporated under the *Canada Corporations Act* in January 2004 and is a registered charity. The Foundation was established to obtain funds to acquire items of historical and outstanding significance for the Crown Collection of the official residences of Canada. The Foundation is a separate legal entity from the NCC and the Canadiana Fund (the "Fund"). The financial statements of the Foundation have not been consolidated in the financial statements of the NCC. The financial position of the Foundation as at March 31, 2010, and the results of operations for the year then ended are as follows.

(in thousands of dollars)

	2010	2009
Financial position		
Assets	11	11
Liabilities	(1)	—
Net assets	10	11
Results of operations		
Revenues	9	11
Expenses	(3)	(5)
Distributions to the NCC	(7)	(10)
Deficiency of revenues over distributions and expenses	(1)	(4)

19. COMPARATIVE FIGURES

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

APPENDIX I

COMMITTEES OF THE BOARD AND ADVISORY AND SPECIAL COMMITTEES

Executive Committee

Chairperson

Russell Mills

Members

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

Corporate Audit and Evaluation Committee

Chairperson

Jason M. Sordi

Members

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

Ex-Officio Member

Russell Mills

Governance Committee

Chairperson

Frieda Martselos

Members

Jacquelin Holzman
Jason M. Sordi
Brent Stefanson
Robert Tennant

Ex-Officio Member

Russell Mills

Advisory Committee on Communications, Marketing and Programming

Chairperson

Duncan McKie,
Toronto, Ontario

Vice-Chairperson

Pauline Rafferty,
Victoria, British Columbia

Members

Graham Carr,
Montréal, Quebec
Luc Fournier,
Québec, Quebec
Katherine Holmes,
Toronto, Ontario
Greg Klassen,
Vancouver, British Columbia
Donna Nixon,
Ottawa, Ontario
Kevin Shea,
Toronto, Ontario
Sandra White,
North Vancouver,
British Columbia

Ex-Officio Members

Russell Mills
Marie Lemay

Board Members

Hélène Grand-Maitre
Eric D. MacKenzie

Advisory Committee on Planning, Design and Realty

Chairperson

Larry Beasley,
Vancouver, British Columbia

Vice-Chairperson

Claude Provencher,
Montréal, Quebec

Members

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Sarah Bonnemaïson,
Halifax, Nova Scotia
Anne Cormier,
Montréal, Quebec
Marc Letellier,
Québec, Quebec
Vivian Manasc,
Edmonton, Alberta
Eha Naylor,
Toronto, Ontario
Donald Schmitt,
Toronto, Ontario
David Witty,
Winnipeg, Manitoba

Ex-Officio Members

Russell Mills
Marie Lemay

Board Member

Adel A. Ayad
Peter Burgener
(as of June 2009)

Advisory Committee on the Official Residences of Canada

Chairperson

Edna A. Hall,
St. John's, Newfoundland
and Labrador
(as of June 2009)
Daniel Brisset,
Montréal, Quebec
(until June 2009)

Vice-Chairperson

Patrick J. Murray,
Ottawa, Ontario
(until January 2010)

Members

Richard Alway,
Toronto, Ontario
Daniel Brisset,
Montréal, Québec
(as of June 2009)

Christina Cameron,
Ottawa, Ontario
Edna A. Hall,
St. John's, Newfoundland
and Labrador
(until June 2009)
Germain J. Matthieu,
Gatineau, Quebec
Gerry McGeough,
Vancouver, British Columbia

Ex-Officio Members

Russell Mills
Marie Lemay

Board Member

Richard N. Aubry

Canadiana Fund

Chairperson

Paul C. LaBarge,
Ottawa, Ontario

Vice-Chairpersons

Douglas B. Richardson,
Saskatoon, Saskatchewan
Cynthia Price,
Montréal, Quebec

Members

Diane Campbell,
Halifax, Nova Scotia
Harriet Campbell-Meacher,
Charlottetown,
Prince Edward Island
Catherine Graham,
Toronto, Ontario
Grant Jameson,
Ottawa, Ontario
Shane O'Dea,
St. John's, Newfoundland
and Labrador
Gerald Pittman,
Calgary, Alberta
Joan Richardson,
Winnipeg, Manitoba
Fei Wong,
Vancouver, British Columbia

APPENDIX II

PARTNERS AND SPONSORS

The success of the NCC's programming and activities depends on the support and contributions of many partners. The NCC has benefited from a strong network of collaborators, and would like to take this opportunity to acknowledge and thank the following organizations, which contributed to NCC programming and activities in 2009–2010.

NCC partners

2010 Olympic and Paralympic Winter Games Federal Secretariat
Agriculture and Agri-food Canada
Boy Scouts of Canada
Canada Aviation Museum
Canada Science and Technology Museum
Canadian Agriculture Museum
Canadian Broadcasting Corporation
Canadian Fallen Firefighters Foundation
Canadian Heritage
Canadian Museum of Civilization
Canadian Museum of Nature
Canadian Navy
Canadian Red Cross
Canadian Space Agency
Canadian Tulip Festival
Canadian War Museum
Canwest
Child and Youth Friendly Ottawa
City of Gatineau
City of Ottawa
Classroom Connections
Club optimiste de Hammond
Coopérative des paramédics de l'Outaouais
Currency Museum of the Bank of Canada
Democracy 250
Diefenbunker, Canada's Cold War Museum
Encounters with Canada
Dominion Institute
Flightworks
Foreign Affairs and International Trade Canada

Gatineau Police Service
Government of Ontario
Government of New Brunswick
Government of Yukon
Girl Guides of Canada
Hong-Kong Veterans Commemorative Association
House of Commons
Library of Parliament
Ministère des ressources naturelles et de la faune du Québec
National Arts Centre
National Defence and the Canadian Forces
National Film Board of Canada
National Gallery of Canada
OC Transpo
Ottawa Emergency and Protective Services
Ottawa International Jazz Festival
Ottawa Fire Services
Ottawa Paramedic Service
Ottawa Police Service
Ottawa Tourism and Convention Authority
Ottawa-Hull Ice Carvers Society
Para Transpo
Parks Canada
Public Works and Government Services Canada
Royal Canadian Mint
Royal Canadian Mounted Police
St. John Ambulance
St. John Ambulance Canada
Federal District Council
Senate of Canada
Services de prévention des incendies de Gatineau

Société de transport de l'Outaouais
Société du 400^e anniversaire de Québec
Supreme Court of Canada
TakingITGlobal
Tourisme Outaouais
Turtle Island Tourism Company
University of Ottawa
Veterans Affairs Canada
Zone3sports

Segal Communications (Sony Playstation)
Sirius Canada Inc.
Sun Life Assurance Company of Canada
Teletoon Canada Inc.
The Westin Ottawa
TrojanOne — ParticipACTION
VIA Rail Canada Inc.
WestJet, an Alberta partnership
Zerofootprint Software Inc

NCC corporate sponsors

Alcatel-Lucent Canada Inc.
Amex Bank of Canada
Beavertails Pastry
Chicken Farmers of Canada
Consumer Impact Marketing, Dairy Farmers of Canada
Cundari — Subway Restaurants
Enbridge Gas Distribution Inc.
Fairmont Château Laurier
First Air
Giant Tiger Stores Limited
Good Humor (Breyers)
Insurance Bureau of Canada
Loblaw Companies Ltd (President's Choice)
Lord Elgin Hotel
Mosaic Sales Solutions Canada (Johnson & Johnson)
Mosaic Sales Solutions Canada (Sunoco)
Ontario Wine Council
Pepsi Bottling Group Inc.
Pizza Pizza Limited
Produktions K
Rideau Centre
Rogers Wireless Communications Inc.
Saputo

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