



NATIONAL CAPITAL COMMISSION
COMMISSION DE LA CAPITALE NATIONALE

QUARTERLY FINANCIAL REPORT FOR THE THREE MONTHS

ENDED JUNE 30, 2025

Canada

TABLE OF CONTENTS

Management Discussion and Analysis.....	3
A. Year-over-Year Results Analysis.....	3
B. Budgetary Analysis.....	5
C. Use of Parliamentary Appropriations.....	6
D. Capital Expenditures.....	8
E. Statement of Financial Position Summary.....	9
F. Risk and Mitigation Strategies.....	9
G. Significant Changes Related to Operations, Personnel and Programs.....	11
Statement of Management Responsibility.....	12
Statement of Financial Position.....	13
Statement of Operations and Accumulated Surplus.....	14
Statement of Change in Net Financial Assets.....	15
Statement of Cash Flows.....	16
Notes to the Quarterly Financial Statements.....	17

MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JUNE 30, 2025

The three months ended June 30, 2025, resulted in a surplus of \$17.7 million. This surplus results primarily from a timing difference between capital parliamentary appropriations received and amortization of tangible capital assets expenditures of (\$19.8 million), by higher than planned interest revenues (\$0.3 million), partly offset by lower than planned rental revenues (\$1.1 million), lower than planned user access fees revenues (\$0.5 million) and by other deficits (\$0.8 million).

A. Year-Over-Year Results Analysis

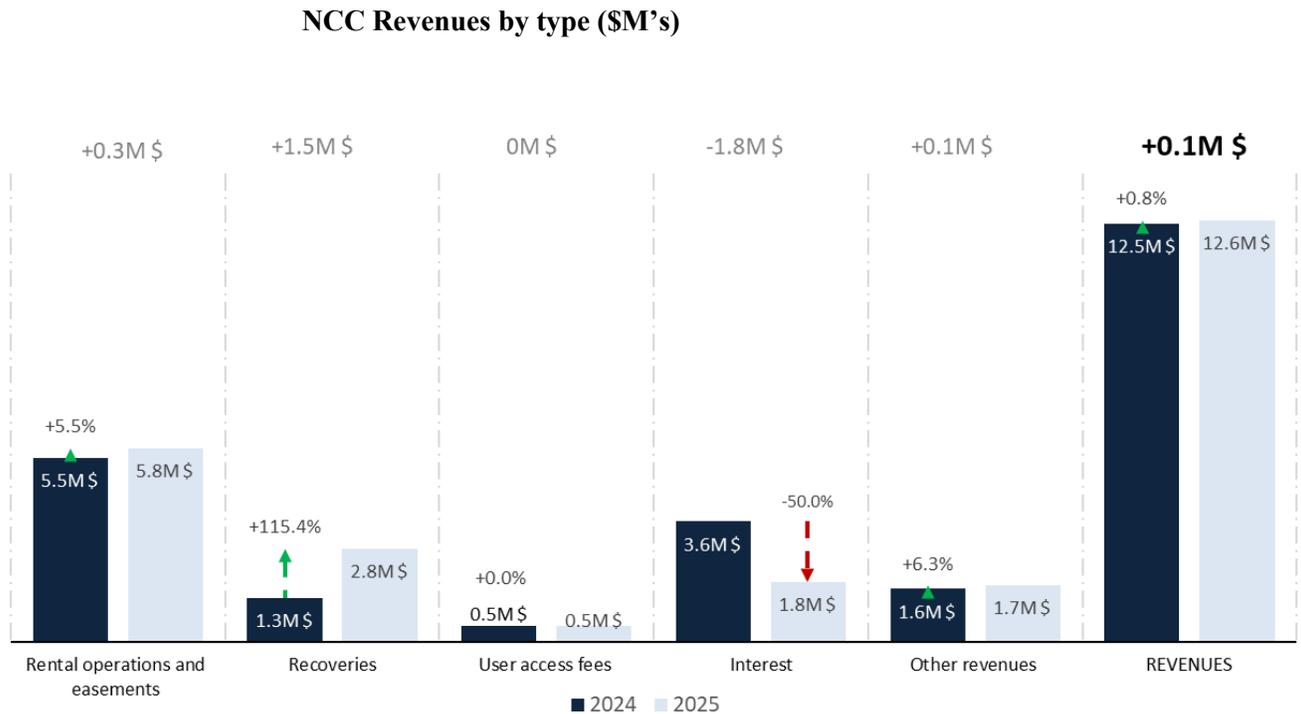
Revenues increased by \$0.1 million, or 0.8% compared to the same period in the previous year, mainly as a result of the following:

- Recoveries increase of \$1.5 million, or 115.4% to \$2.8 million; and
- Rental operations and easements increase of \$0.3 million, or 5.5% to \$5.8 million.

These increases were offset in part by:

- Interest revenue decrease of \$1.8 million, or 50.0% to \$1.8 million.

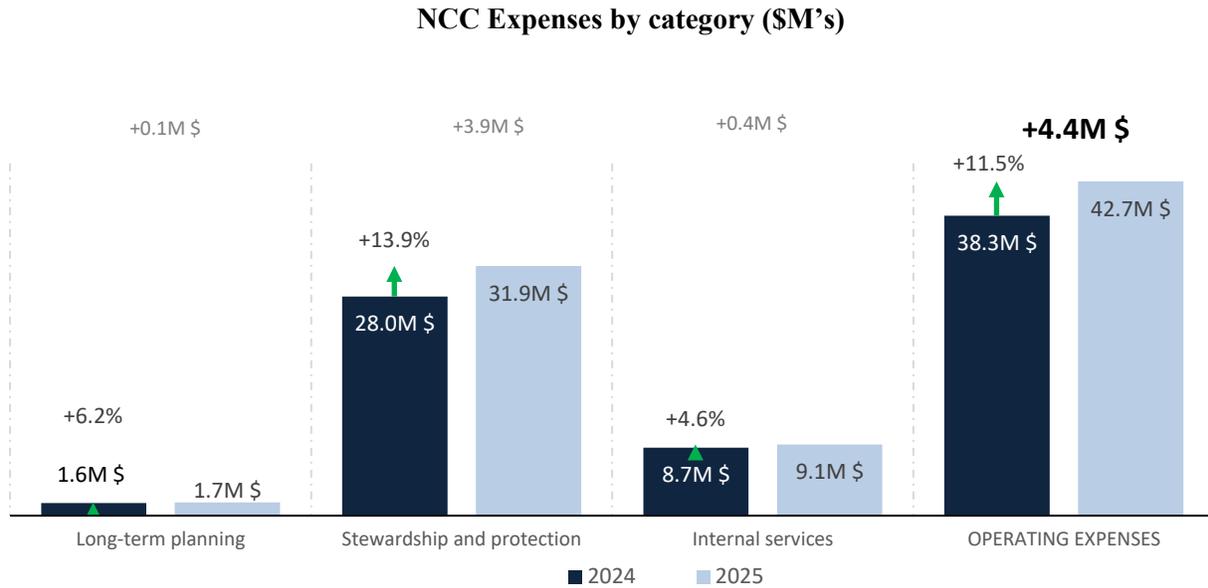
Meanwhile, user access fees and other revenues remained stable. The following chart shows revenue by type compared with the previous year:



Operating expenses increased by \$4.4 million, or 11.5%, compared to the same period in the previous year. The results by Program were as follows:

- Stewardship and protection increase of \$3.9 million, or 13.9%, to \$31.9 million;
- Internal services increase of \$0.4 million, or 4.6%, to \$9.1 million; and
- Long-term planning increase of \$0.1 million, or 6.2% to \$1.7 million.

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

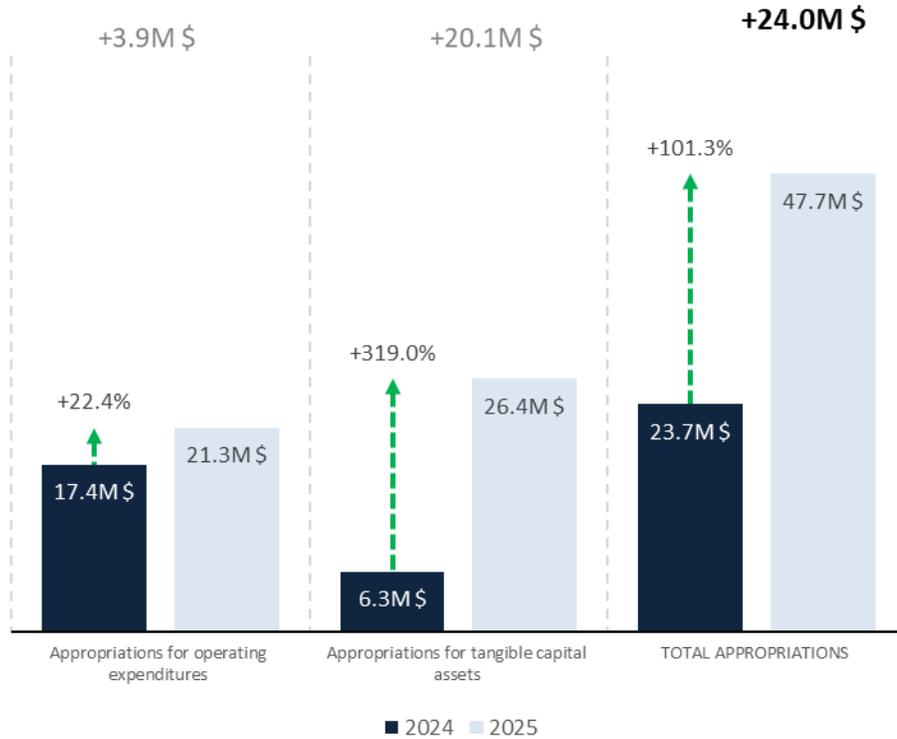


Funding from the Government of Canada through parliamentary appropriations increased by \$24.0 million compared to the same period last year to \$47.7 million. The results by main categories of appropriations were as follows:

- Appropriations for operating expenditures increased by \$3.9 million, or 22.4%, to \$21.3 million; and
- Appropriations for capital expenditures increased by \$20.1 million, or 319.0% to \$26.4 million.

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

NCC Appropriations by vote (\$M's)



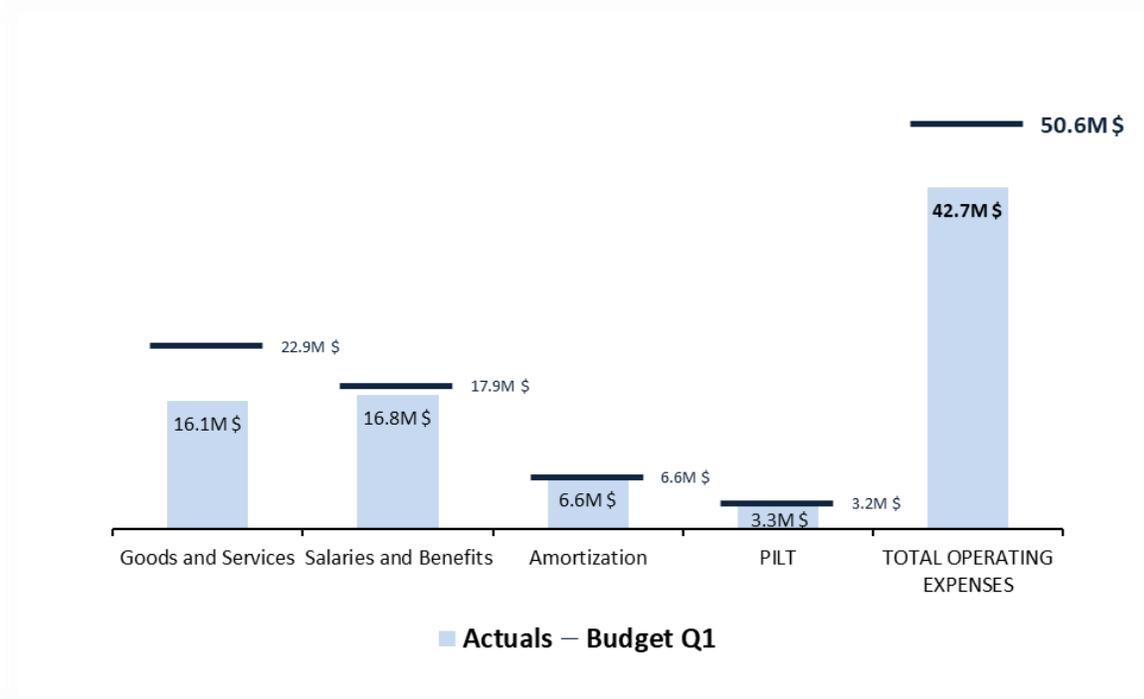
B. Budgetary Analysis

The budgeted revenue for the 2025-2026 fiscal year includes non-recurring items such as contributions and recoveries related to the Interprovincial Bridges initiatives and commemorations, with \$4.2 million recognized at the end of the first quarter, representing 6.8% of the annual budget for non-recurring revenues. Total recurring revenues of \$8.5 million represent 21.4% of the annual budget as of June 30, 2025.

Total revenues for the first quarter were \$12.6 million, below the budgeted \$25.2 million. Interest revenues are above budget, whereas gain on disposal of tangible capital assets, recoveries, rental operations and easements, user access fees, and other revenues are tracking behind budget.

The following chart provides details of the first quarter operating expenses of \$42.7 million compared to the budget of \$50.6 million. The favorable variance compared to budget is due primarily to lower than planned Goods and Services (\$6.8 million) and salary and benefits (\$1.1 million).

Operating expenses by object (\$000's)



C. Use of Parliamentary Appropriations

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

The NCC recognized \$47.7 million, or 23.6% of its annual budget for appropriations for the period ended June 30, 2025. Parliamentary appropriations drawdowns are based on forecasted cash flow expenditures. The following table illustrates the forecast of the parliamentary appropriations by vote.

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

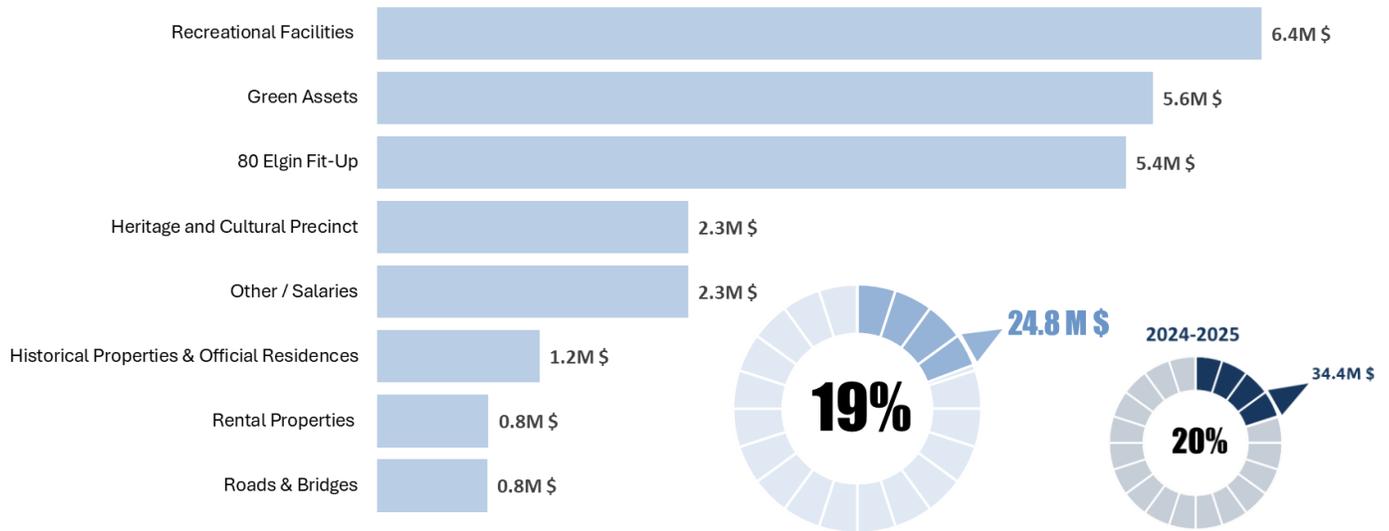
Vote	Annual Budget	Gov't Apps Recognized	% Recognized	Approved Suppl. Estimates	Forecast to March 2026
Operational vote	97,012	21,221	21.9%	-	75,791
Deferred Appropriations	4,370	150	3.4%	-	4,220
<i>sub-total</i>	101,382	21,371	21.1%	-	80,011
Capital vote	100,253	20,951	20.9%	-	79,302
Deferred Appropriations	572	5,415	946.7%	-	5,463
<i>sub-total</i>	100,825	26,366	26.2%	-	84,765
Total	202,207	47,737	23.6%	-	164,776

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

D. Capital Expenditure

Investments by main categories of capital expenditures were as follows:

For the three months ended June 30, 2025 (\$000's)	Actuals
Roads & Bridges Portage Bridge	794
Historical Properties Official Residences	1,174
Rental Properties	805
Development Properties LeBreton Flats redevelopment	80
Heritage and Cultural Precinct	2,251
Green Assets South Shore Riverfront Park development, Rideau Canal Lighting System, Parliament Hill Escarpment	5,611
Recreational Facilities Philippe Lake Campground	6,395
Equipment	13
Property Acquisition (including Green Fund)	62
80 Elgin Fit Up	5,416
Other Salaries	2,240
2025-2026 Q1 Total Actuals	24,841
2024-2025 Q1 Total Actuals	34,424
Variance	(9,583)
Budget 2025-2026	128,973
% Budget	19%
% Actuals + Commitments (funded from annual budget and carry-overs)	105%



E. Statement of Financial Position Summary

Financial assets totalled \$229.5 million as of June 30, 2025, an increase of \$7.7 million or 3.5% from \$221.8 million as of March 31, 2025, attributable primarily to an increase of \$8.4 million in cash and cash equivalents, \$2.1 million in restricted cash and cash equivalents, partly offset by a decrease in accounts receivable of \$2.9 million, while the investments remained stable.

Liabilities totalled \$212.9 million as of June 30, 2025, an increase of \$11.3 million or 5.6% from \$201.6 million as of March 31, 2025, attributable primarily to an increase of \$6.0 million in accounts payable and accrued liabilities, \$4.2 million in deferred revenues and \$1.7 million in other liabilities, partly offset by a decrease of \$0.5 million in employee future benefits.

Non-financial assets totalled \$1,069.0 million as of June 30, 2025, an increase of \$21.2 million or 2.0% from \$1,047.8 million as of March 31, 2025, reflecting mostly increases in tangible capital assets net of amortization as a result of advancement of capital projects funded primarily from Budget 2020 and Fall Economic Statement 2022.

F. Risks and Mitigation Strategies

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

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

Key Risks and Mitigation Measures

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

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

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

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

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

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

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

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

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

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

4. Human Resource Capacity: Governments and businesses are facing considerable challenges, across Canada and the National Capital Region, as they strive to recruit and retain employees with appropriate knowledge, skills, and experience. There is a risk that real and perceived challenges in its competitiveness to hire and retain staff may impact the NCC's capacity to adequately deliver its core mandate.

To mitigate this risk, the NCC will improve talent attraction and retention by a series of actions which includes updating and implementing the Diversity, Inclusion and Employment Equity Plan; continuing to promote an engaging, diverse, and inclusive workplace that attracts and retains talent; continue enabling the corporation's ability to adapt its workplace environments to support staff.

The NCC will be undertaking a review of the NCC's compensation to ensure competitiveness and continuing to encourage and to explore options to promote mobility and career development opportunities for NCC employees.

Finally, the NCC will continue to optimize the new Staffing Program, as well as continue our outreach efforts to promote the NCC's mandate and increase our visibility as an Employer of choice in the National Capital Region to job seekers.

G. Significant Changes Related to Operations, Personnel and Programs

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

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

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

Unaudited Financial Statements

For the three months ended June 30, 2025

Statement of Management Responsibility

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

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



Tobi Nussbaum
Chief Executive Officer



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

Ottawa, Canada
August 26, 2025

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

	June 30, 2025	March 31, 2025
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	167,024	158,557
Restricted cash and cash equivalents (Note 4)	14,807	12,701
Accounts receivable	16,662	19,590
Investments (Note 3)	31,018	30,992
	229,511	221,840
LIABILITIES		
Accounts payable and accrued liabilities	44,614	38,553
Provision for environmental remediation	73,979	74,000
Asset retirement obligations	29,184	29,184
Deferred revenues (Note 5)	39,157	35,046
Employee future benefits	9,864	10,402
Other liabilities	16,067	14,415
	212,865	201,600
NET FINANCIAL ASSETS	16,646	20,240
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	1,058,010	1,039,685
Prepaid expenses	6,809	3,878
Other non-financial assets	4,220	4,220
	1,069,039	1,047,783
ACCUMULATED SURPLUS	1,085,685	1,068,023

The notes are an integral part of the financial statements.

Approved by the Board of Directors



Maryse Gaudreault
Chair, Board of Directors



Tanya Gracie
Chair, Audit Committee

NATIONAL CAPITAL COMMISSION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (UNAUDITED)
For the three months ended June 30 (in thousands of dollars)

	2025-2026	2025	2024
	Annual Budget	Actual	Actual
	(Note 2)		
REVENUES			
Rental operations and easements	27,715	5,775	5,521
Recoveries	17,007	2,795	1,285
User access fees	4,426	588	555
Interest	5,991	1,776	3,603
Gain on disposal of tangible capital assets	43,050	108	1
Other revenues	2,581	1,598	1,578
	100,770	12,640	12,543
EXPENSES (Note 7)			
Long-term planning	17,946	1,747	1,608
Stewardship and protection	142,626	31,927	28,045
Internal services	41,890	9,041	8,653
	202,462	42,715	38,306
Deficit before funding from the Government of Canada	(101,692)	(30,075)	(25,763)
Funding from the Government of Canada			
Parliamentary appropriations for operating expenditures (Note 8)	101,382	21,371	17,392
Parliamentary appropriations for tangible capital assets (Note 8)	100,825	26,366	6,283
	202,207	47,737	23,675
Surplus (deficit) for the period	100,515	17,662	(2,088)
Accumulated surplus at beginning of the period	1,087,512	1,068,023	1,014,018
Accumulated surplus at end of the period	1,188,027	1,085,685	1,011,930

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (UNAUDITED)
For the three months ended June 30 (in thousands of dollars)

	2025-2026	2025	2024
	Annual budget	Actual	Actual
	(Note 2)		
Surplus (deficit) for the period	100,515	17,662	(2,088)
Acquisition and improvements of tangible capital assets (Note 6)	(116,275)	(24,890)	(34,610)
Amortization of tangible capital assets (Note 6)	26,346	6,565	5,573
Gain on disposal of tangible capital assets	(43,050)	(108)	(1)
Proceeds from disposal of tangible capital assets	61,500	108	1
	(71,479)	(18,325)	(29,037)
Change in prepaid expenses	-	(2,931)	(5,789)
	-	(2,931)	(5,789)
Increase (decrease) in net financial assets	29,036	(3,594)	(36,914)
Net financial assets at beginning of the period	(1,311)	20,240	79,492
Net financial assets at end of the period	27,725	16,646	42,578

The notes are an integral part of the financial statements.

NATIONAL CAPITAL COMMISSION
STATEMENT OF CASH FLOWS (UNAUDITED)
For the three months ended June 30 (in thousands of dollars)

	2025	2024
OPERATING ACTIVITIES		
Cash receipts from parliamentary appropriations		
for operating expenditures	32,143	18,695
Cash receipts from rental operations and easements	5,473	5,620
Cash receipts from recoveries, user access fees and other revenues	6,942	2,005
Cash paid to suppliers	(22,478)	(22,597)
Cash paid to employees	(17,914)	(14,690)
Interest received	1,482	2,472
Disbursements related to the management and remediation of sites	(68)	(36)
Cash flows provided (used) by operating activities	5,580	(8,531)
CAPITAL ACTIVITIES		
Cash receipts from parliamentary appropriations		
for tangible capital assets	20,951	4,399
Acquisition and improvements of tangible capital assets	(17,691)	(25,281)
Proceeds from disposal of tangible capital assets	108	1
Cash receipts for future disposal of a land	1,693	46
Disbursements for environmental remediation	(76)	(68)
Cash flows provided (used) by capital activities	4,985	(20,903)
INVESTING ACTIVITIES		
Cash receipts for Chambers Building Fund	67	95
Disbursements for investments purchased	(726)	(522)
Cash receipts from investment sold	667	523
Cash flows provided by investing activities	8	96
Increase (decrease) in cash and cash equivalents	10,573	(29,338)
Cash and cash equivalents at beginning of the period	171,258	171,363
Cash and cash equivalents at end of the period	181,831	142,025
Represented by:		
Cash and cash equivalents	167,024	129,641
Restricted cash and cash equivalents	14,807	12,384
	181,831	142,025

The notes are an integral part of the financial statements.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

1. Authority and Objectives

The National Capital Commission (NCC) was established in 1959 by the *National Capital Act* (1958) as an agent Crown corporation without share capital, named in Part I of Schedule III of the *Financial Administration Act*, and is not subject to the requirements of the *Income Tax Act*. The objects and purposes of the NCC, as stated in the amended *National Capital Act* (2013) are to prepare plans for and assist in the development, conservation and improvement of the National Capital Region in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance.

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

In July 2015, the corporation was issued a directive (P.C. 2015-1106) pursuant to Section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies. The NCC has met the requirements of the directive since 2015–2016.

2. Significant Accounting Policies

BASIS OF ACCOUNTING

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

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

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the most recent annual financial statements.

Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported values of financial assets, liabilities and non-financial assets at the date of the financial statements, and the reported amounts of revenues and expenses for the reporting period. Estimated useful lives of tangible capital assets, provision for environmental remediation, asset retirement obligations, employee future benefits, write-downs of tangible capital assets, the recognition of contingent liabilities, are the most significant items for which estimates are used.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

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

Budget Figures

The 2025-2026 budget figures, as presented in the *2025-2026 to 2029-2030 Corporate Plan*, yet to be approved by government, are included, as appropriate, in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets.

3. Cash and Cash Equivalents and Investments

A. CASH AND CASH EQUIVALENTS

As at June 30, 2025, cash and cash equivalents include \$167.0 million (\$158.6 million as at March 31, 2025) in cash, invested at a weighted average interest rate of 3.4% (4.7% as at March 31, 2025).

B. INVESTMENTS

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

	June 30, 2025		March 31, 2025	
	Amortized Cost	Quoted Market Value	Amortized Cost	Quoted Market Value
Provincial governments	11,018	10,933	10,992	10,974
Guaranteed investment certificates	20,000	20,000	20,000	20,000
	31,018	30,933	30,992	30,974

C. DESIGNATED FUNDS

As at June 30, 2025, cash and cash equivalents include \$79.3 million (\$76.2 million as at March 31, 2025) in designated funds whose use is internally designated and limited for the sole purpose for which they have been segregated.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

4. Restricted Cash and Cash Equivalents

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

	June 30, 2025	March 31, 2025
Chambers Building Fund	8,486	8,419
Deposit for future disposal of a land	4,518	2,493
Light Rail Transit	1,803	1,789
	14,807	12,701

Chambers Building Fund

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

5. Deferred Revenues

Deferred revenues are composed of the following.

	June 30, 2025	March 31, 2025
Deferred rental revenues	8,362	8,356
Deferred license of occupation revenues	1,037	1,302
Parliamentary appropriations for various initiatives	9,738	-
PSPC contribution to the construction of the new head office	5,463	10,879
Contribution from the City of Ottawa for the development of the south shore riverfront park	938	1,476
Other deferred revenues	13,619	13,033
	39,157	35,046

The deferred rental revenues are primarily the present value of the minimum future lease payments that the NCC has collected under four different land lease agreements. The present value for the current agreements was determined using discount rates of 4.0%, 4.27%, 6.01% and 6.5%. These deferred rental revenues will be recognized as income over the term of the lease agreements, which have different termination dates extending to 2075. During the period, \$0.1 million (\$0.1 million as at June 30, 2024) of deferred rental revenue was recognized as income.

Public Services and Procurement Canada's (PSPC) contribution of \$5.5 million (\$10.9 million as at March 31, 2025) is for renovations to the new NCC head office which should be completed by 2026-2027, and the contribution from the City of

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

Ottawa of \$0.9 million (\$1.5 million as at March 31, 2025) is for the development of the south shore riverfront park in connection with the light rail transit project and is recognized based on the completion of the work which are expected to be completed by 2029-2030.

Other deferred revenues consist mainly of a contribution by Veterans Affairs Canada of \$3.5 million (\$3.6 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by 2026-2027, as well as a contribution by Global Affairs Canada of \$3.1 million (\$3.7 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by 2026-2027, as well as a contribution from Canadian Heritage of \$1.1 million (\$1.2 million as at March 31, 2025) for the construction of a commemoration which is expected to be completed by the end of 2025-2026.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

6. Tangible Capital Assets

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Acquisitions/ Adjustments	Disposals	Closing Balance	Opening Balance	Amortization expense	Disposals / Adjustments	Closing Balance	June 30, 2025	March 31, 2025
Land ¹	388,964	195	-	389,159	-	-	-	-	389,159	388,964
Buildings and Infrastructure ²	1,191,356	24,250	-	1,215,606	548,077	6,288	-	554,365	661,241	643,279
Leasehold improvements	15,360	-	-	15,360	13,072	87	-	13,159	2,201	2,288
Equipment ²	25,643	445	-	26,088	20,489	190	-	20,679	5,409	5,154
	1,621,323	24,890	-	1,646,213	581,638	6,565	-	588,203	1,058,010	1,039,685

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

2. The total cost of buildings and infrastructure, and equipment include \$147.7 million (\$123.3 million as at March 31, 2025) of construction in progress. When completed, the cost of these projects will be amortized on the basis on their estimated useful life.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (UNAUDITED)

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

7. Expenses by Object

The following provides a summary of expenses by object.

	2025-2026 Annual Budget (Note 2)	June 30, 2025	June 30, 2024
Goods and services	91,662	16,072	13,185
Salaries and employee benefits	71,583	16,825	16,213
Amortization	26,346	6,565	5,573
Payments in lieu of municipal taxes	12,871	3,253	3,335
	202,462	42,715	38,306

For the period ended June 30, 2025, the value of antiques, works of art and monuments, acquired or built by the NCC totalled \$1.8 million (\$0.6 million as at June 30, 2024). These are recorded as expenses in “Goods and services”.

8. Parliamentary Appropriations

	June 30, 2025	June 30, 2024
Parliamentary appropriations for operating expenditures¹		
Amount received during the period	32,143	18,695
Amount received for previous year	(1,184)	(1,331)
Amount deferred from previous year	150	28
Amount deferred to the next period	(9,738)	-
	21,371	17,392
Parliamentary appropriations for tangible capital assets²		
Amount received during the period	20,951	4,399
Amount deferred from previous year	5,415	1,884
	26,366	6,283
Parliamentary appropriations approved and recorded during the period	47,737	23,675

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

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