

5. Loans from Canada

The Commission purchases real property out of funds advanced from the Consolidated Revenue Fund of Canada by way of loans as authorized by Parliament, upon terms and conditions approved by the Governor-in-Council.

On disposal of properties financed by loans, the loan terms require that the relevant loans be repaid in full, and that any excess proceeds be applied to other loans.

Interest on loans from Canada is payable semi-annually at rates varying from 4.75% to 10.125% and averaging 6.4%. No dates for repayment of principal are specified except that loans and interest are required to be repaid at the time of disposal.

Effective April 1, 1974, payment of interest on loans borrowed for the purpose of acquiring property in the Greenbelt had been deferred until March 31, 1981. At March 31, 1981 the accrued interest of \$14,560,591 and loan principal of \$38,192,772 were written off and deleted by Canada pursuant to Section 8 of the *Adjustment of Accounts Act*.

6. Commitments

(a) Subject to being provided with future funds by Parliament, the Commission is committed to make contributions to other levels of government:

- (i) to the Province of Quebec one-half of the cost of a road network within the National Capital Region. The Commission's commitment is \$150 million of which \$73.0 million has been expended. Further expenditures of \$2.9 million for related works are recoverable from provincial and municipal governments.

- (ii) to the Province of Quebec and the Outaouais Regional Community, one-third of the cost of a regional sewage disposal system. The Commission's commitment is \$52.4 million of which \$37.1 million has been expended.

- (iii) to the Regional Municipality of Ottawa-Carleton and the City of Ottawa, one-half of the cost of the development in the Rideau Street area. The Commission's commitment is \$8.4 million of which \$2.2 million has been expended.

(b) The Commission has entered into agreements for leases and consulting services. Annual payments under these agreements are approximately as follows:

1981-82	\$ 1,202,000
1982-83	1,096,000
1983-84	1,145,000
1984-85	1,222,000
1985-86	290,000
	\$ 4,955,000

7. Contingent Liabilities

(a) Litigations

(i) Legal action has been taken against the Commission claiming \$18 million for wrongful termination of certain agreements.

(ii) Legal action has been taken against the Commission and others, claiming damages estimated at \$1.6 million for nuisance during the construction of a collector sewer on Commission property.

No provision for these contingencies has been made in the accounts.

- (b) **Agreement with a Province**
In 1961 the Commission entered into an agreement whereby the Province of Ontario established and maintains 9,557 acres of forest. When the agreement expires in 2011, or is terminated, the Commission will reimburse the Province for the excess of expenses for revenue, or the Province will pay the Commission the excess of revenue over expenses. At March 31, 1980, expenses exceeded revenues by \$0.8 million, and are not reflected in the accounts of the Commission.

8. Prior Years' Adjustments

Balances at beginning of both years in the Statement of Proprietary Interest have been adjusted to reflect the restatement to historic cost of properties retained after sales made prior to March 31, 1974 (Note 2(b)(i)).

Balances at beginning of both years in the Statement of National Capital Fund Operations have been adjusted to reflect the restatement of \$3.0 million prior years' expenditures as advance contributions for sewage disposal rather than as amounts recoverable.

9. Related Party Transactions

During the year, in the normal course of operations, the Commission exchanged lands with a department of the Government of Canada. Lands with a market value of \$3.2 million were received in exchange for lands of equal value, and no funds were received or disbursed.

10. Comparative Figures

Certain figures for 1980 presented for comparative purposes have been restated to conform to the 1981 presentation.

(b) Entente avec une province

En 1961, la Commission a signé une entente avec la province de l'Ontario par laquelle cette dernière a établi et entretient une forêt de 9 557 acres. A l'échéance de l'entente en l'an 2011, ou sur résiliation, la Commission remboursera la province pour l'ex-cédent des dépenses sur les revenus, ou la province paiera à la Commission l'excédent des revenus sur les dépenses. Au 31 mars 1980, les dépenses excédaient les revenus par \$0.8 million et ne sont pas inscrites aux livres de la Commission.

8. Redressements pour les exercices antérieurs

Les soldes au début de l'exercice des deux années à l'état de la part du propriétaire, ont été redressés pour rétablir le coût d'origine des biens immobiliers non aliénés au 31 mars 1974 (note 2(b)(i)).

Les soldes au début de l'exercice des deux années à l'état d'exploitation — Caisse de la Capitale nationale, ont été redressés pour enregistrer comme contribution par anticipation, au lieu de les traiter comme somme recouvrable, un montant de \$3.0 millions; déboursés durant les exercices antérieurs pour le traitement des eaux usées.

9. Transactions entre apparentés

Durant l'année, au cours de son fonctionnement normal, la Commission a échangé des terrains avec un ministère du gouvernement. Ces terrains ayant une valeur marchande de \$3.2 millions ont été échangés contre d'autres terrains d'une même valeur. Aucun fonds n'a été reçu ou déboursé.

10. Chiffres comparatifs

Certains chiffres de l'exercice terminé le 31 mars 1980 ont été modifiés afin qu'ils soient conformes à la présentation adoptée pour l'exercice terminé le 31 mars 1981.