

**Financial Statements  
Ottawa Community Lands  
Development Corporation  
December 31, 2021**

# Independent auditor's report

To the Board Members, Mayor and Members of Council of the  
**Ottawa Community Lands Development Corporation**

## Opinion

We have audited the financial statements of the **Ottawa Community Lands Development Corporation** [the "Corporation"], which comprise the statement of financial position as at December 31, 2021, and the statement of operations and statement of changes in net debt for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Canada  
August 18, 2022



# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2021, with comparative information for 2020

Table 1: Statement of Financial Position - Assets

<b>Assets</b>	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Accounts receivable	\$30,962	\$0
Taxes recoverable	17,510	17,095
Due from the City of Ottawa [note 5]	1,463,781	913,440
<b>Total financial assets</b>	<b>1,512,253</b>	<b>930,535</b>

Table 2: Statement of Financial Position - Liabilities

<b>Liabilities</b>	<b>2021</b>	<b>2020</b>
Accounts payable and accrued liabilities	243,853	245,237
Deposit agreements for future sales [note 3 and schedule 1]	550,000	50,000
Performance securities [note 6]	857,500	857,500
<b>Total liabilities</b>	<b>1,651,353</b>	<b>1,152,737</b>
<b>Net debt</b>	<b>(139,100)</b>	<b>(222,202)</b>

Table 3: Statement of Financial Position - Non-Financial Assets

<b>Non-financial assets</b>	<b>2021</b>	<b>2020</b>
Other assets [note 7]	139,100	222,202
<b>Accumulated surplus</b>	<b>\$0</b>	<b>\$0</b>

See accompanying notes

On behalf of the Board:

Director

Director

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## STATEMENT OF OPERATIONS

For the year ended December 31, 2021, with comparative information for 2020

Table 4: Statement of Operations - Revenue

<b>Revenue [schedule 3]</b>	<b>2021</b>	<b>2020</b>
Land sales	<b>\$675,000</b>	\$7,474,836
Contribution from the City of Ottawa [note 5 and schedule 3]	<b>407,235</b>	475,213
<b>Total revenue</b>	<b>1,082,235</b>	7,950,049

Table 5: Statement of Operations - Expenses

<b>Expenses [schedule 2]</b>	<b>2021</b>	<b>2020</b>
Land acquisition	<b>365,555</b>	7,241,255
Development costs	<b>179,203</b>	62,562
Administrative expenses	<b>353,985</b>	418,601
Legal disbursements	<b>183,492</b>	227,631
<b>Total expenses</b>	<b>1,082,235</b>	7,950,049
<b>Excess of revenue over expenses for the year</b>	<b>0</b>	0
Accumulated surplus, beginning of year	<b>0</b>	0
<b>Accumulated surplus, end of year</b>	<b>\$0</b>	\$0

See accompanying notes

## STATEMENT OF CHANGES IN NET DEBT

For the year ended December 31, 2021, with comparative information for 2020

Table 6: Statement of Changes in Net Debt

<b>Statement of changes in net debt</b>	<b>2021</b>	<b>2020</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$0</b>	\$0
Decrease (increase) in other assets	<b>83,102</b>	(95,876)
Net debt at beginning of year	<b>(222,202)</b>	(126,326)
<b>Net debt at end of year</b>	<b>\$(139,100)</b>	\$(222,202)

See accompanying notes

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## *NOTES TO THE FINANCIAL STATEMENTS*

*DECEMBER 31, 2021*

### **1. NATURE OF BUSINESS**

The Ottawa Community Lands Development Corporation [the “Corporation”] was incorporated on August 6, 2009 under the laws of the Province of Ontario as a corporation without share capital for the purpose of promoting and undertaking community improvements in the City of Ottawa by managing real property. The Corporation is controlled by the City of Ottawa.

### **2. BASIS OF PRESENTATION**

The financial statements of the Corporation are prepared by management in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates, which have been made using careful judgment. Budget figures are not presented on the statements of operations and changes in net debt as no budget is prepared at the Corporation level.

#### **Basis of accounting**

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

#### **Financial instruments**

The Corporation’s financial instruments consist of accounts receivable, taxes recoverable, related party balances due from the City of Ottawa, accounts payable and accrued liabilities and deposit agreement for future sale. Amounts recorded on the financial statements approximate the financial instruments’ fair value given the short-term nature of the balances.

# **OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***DECEMBER 31, 2021***

### **Cash flow**

The Corporation funds its cash requirements through the support of the City of Ottawa. The only cash transactions in fiscal 2021 were deposits totalling \$17,250 [2020 - \$14,809] representing land sale proceeds of \$0 [2020 - \$0], tax refund of \$17,095 [2020 - \$14,655], and other miscellaneous items totalling \$155 [2020 - \$154] that were subsequently transferred to the City of Ottawa. All other cash transactions from operating activities, including funds received for land sales, were processed through the City of Ottawa. The Corporation did not have cash movement from financing or investing activities during 2021 or 2020.

### **Use of estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the amounts of revenue and expenses reported in the financial statements. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known. The most significant estimates used in preparing these financial statements are the amounts of accrued liabilities related to properties sold. Actual results could differ from those estimates by a material amount. The extent of measurement uncertainty cannot be reasonably estimated at this time.

### **3. DEPOSIT AGREEMENTS FOR FUTURE SALES**

Deposit agreements for future sales represent deposits received pursuant to purchase and sale agreements. Sales revenue is recognized upon title of the property passing to the purchaser. The cash related to these deposits is held by the City of Ottawa and is reported on the statement of financial position as due from the City of Ottawa. For sales agreements terminated by the purchaser, non-refundable deposits are recorded as revenue and presented in other revenue.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 4. LAND

Land inventory held for resale represents land held for future development. Capitalized costs include the purchase of land and development costs incurred related to unsold parcels. Land is accounted for at the lower of actual cost and net realizable value. The purchase price of land is the fair market value as at the projected date of sale. Fair value is the amount of the consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Land inventory held for resale as at December 31, 2021 and 2020 was nil.

### 5. RELATED PARTY TRANSACTIONS

The City of Ottawa controls the Corporation and administers the cash disbursements on behalf of the Corporation. Any balance owing to the City of Ottawa is interest free and has no specified terms of repayment.

Related party transactions between the Corporation and the City of Ottawa include:

Table 7: Related Party Transactions

Related party transactions	2021	2020
Land acquisition	\$365,555	\$7,241,255
Legal and realty taxes disbursements	3,626	5,550
Administrative expenses	353,985	418,601
Contribution from the City of Ottawa	407,235	475,213



# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

The contribution from the City of Ottawa represents funding revenue from the City of Ottawa to reimburse the Corporation for any excess expenses over land sale revenue.

Net purchase price of lands consists of \$365,555 [2020 - \$7,241,255] included in land acquisition costs on the statement of operations. Legal and realty taxes disbursements consist of \$3,773 [2020 - \$4,320] included in other assets on the statement of financial position and \$3,626 [2020 - \$5,550] included in legal disbursements on the statement of operations. Administrative expenses consist of \$353,985 [2020 - \$418,601] included in the administrative expenses on the statement of operations.

Change in due from the City of Ottawa comprises the following:

Table 8: Change in Due from the City of Ottawa

Change in due from the City of Ottawa	2021	2020
<b>Opening balance of due from the City of Ottawa</b>	<b>\$913,440</b>	\$1,196,970
Decrease (increase) in other assets	<b>83,102</b>	(95,876)
Increase in taxes recoverable	<b>(415)</b>	(2,440)
Increase in accounts receivable	<b>(30,962)</b>	0
Decrease in accounts payable and accrued liabilities	<b>(1,384)</b>	(235,214)
Increase in deposit agreements for future sales	<b>500,000</b>	50,000
<b>Net change</b>	<b>550,341</b>	(283,530)
<b>Closing balance of due from the City of Ottawa</b>	<b>\$1,463,781</b>	\$913,440

## 6. PERFORMANCE SECURITIES

Performance securities are composed of refundable security deposits provided to the Corporation by purchasers of the properties. The amounts ensure development of the lands sold by the Corporation is in accordance with the Development Agreement. Reductions and releases are provided when directed by the Corporate Real Estate Office on behalf of the Corporation. As of December 31, 2021, the Corporation has \$857,500 [2020 - \$857,500] in performance and construction securities and \$1,729,000 [2020 - \$1,710,500] in letters of credit in the Corporation's favour for those properties sold in current and prior years.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 7. OTHER ASSETS

Other non-financial assets consist of project development costs, other costs incurred to make a property ready to be listed for sale, and legal costs, which are stated at cost. Project development costs consist of direct costs relating to the commercial development of land by the Corporation as approved by City Council. These costs will be transferred to land inventory held-for-resale once the related property has been transferred to the Corporation. For projects that are abandoned, costs are immediately expensed.

### 8. CONTRACT OBLIGATION

The Corporation has contractual obligations of \$629,148 related to a cost sharing agreement which will become payable upon sale of certain properties.

### 9. SUBSEQUENT EVENTS

Subsequent to year-end, 180 Kanata Avenue was purchased by the Corporation from a related party and subsequently sold to a third party for \$1,924,900 on May 10, 2022. As at December 31, 2021, the associated costs in the amounts of \$19,196 for 180 Kanata Avenue are included in other assets on the statement of financial position.

Subsequent to year-end, 150 Kanata Avenue and 1200 Canadian Shield was purchased by the Corporation from a related party and subsequently sold to a third party for \$9,075,000 on July 20, 2022. As at December 31, 2021, the associated costs in the amounts of \$32,567 for 150 Kanata Avenue and 1200 Canadian Shield are included in other assets on the statement of financial position.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 1

### SCHEDULE OF DEPOSIT AGREEMENTS FOR FUTURE SALES

As at December 31, 2021, with comparative information for 2020

Table 9: Schedule 1 - Schedule of Deposit Agreements for Future Sales

<b>Land description</b>	<b>2021</b>	<b>2020</b>
3311 Greenbank Road	\$0	\$50,000
180 Kanata Avenue	50,000	0
150 Kanata Avenue 1200 Canadian Shield	500,000	0
<b>Total deposit agreements for future sales</b>	<b>\$550,000</b>	<b>\$50,000</b>

See accompanying notes

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 2

### SCHEDULE OF EXPENSES

For the year ended December 31, 2021, with comparative information for 2020

Table 10: Schedule 2 - Schedule of Expenses

<b>Expenses (recoveries)</b>	<b>2021</b>	<b>2020</b>
<b>Land acquisition [note 4]</b>	<b>\$365,555</b>	<b>\$7,241,255</b>
<b>Development costs</b>		
Servicing	<b>103,981</b>	0
Engineering services	<b>35,587</b>	3,053
Insurance, licenses and permits	<b>33,158</b>	52,759
Corporation tax return preparation and financial statement audit	<b>5,922</b>	5,851
For sale signs	<b>555</b>	899
<b>Total development costs</b>	<b>179,203</b>	62,562
<b>Administrative expenses</b>	<b>353,985</b>	418,601
<b>Legal disbursements</b>		
Legal fees, registration fees, execution certificates and land transfer tax	<b>183,492</b>	227,631
<b>Total expenses</b>	<b>\$1,082,235</b>	<b>\$7,950,049</b>

See accompanying notes

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 3

### SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2021

Table 11: Schedule 3 - 2021 Schedule of Operations by Property

<b>Property description</b>	<b>Land acquisition</b>	<b>Development costs and administrative expenses</b>	<b>Total expenses</b>	<b>Revenue</b>	<b>Contribution from the City</b>	<b>Total revenue</b>
Other properties sold in prior years	\$0	\$10,212	<b>\$10,212</b>	\$0	\$10,212	<b>\$10,212</b>
25 Khymer	125,395	74,605	<b>200,000</b>	200,000	0	<b>200,000</b>
3311 Greenbank	240,160	234,840	<b>475,000</b>	475,000	0	<b>475,000</b>
Sub-total land parcels sold	365,555	319,657	<b>685,212</b>	675,000	10,212	<b>685,212</b>
Common expenses to all properties	0	397,023	<b>397,023</b>	0	397,023	<b>397,023</b>
<b>Total</b>	<b>\$365,555</b>	<b>\$716,680</b>	<b>\$1,082,235</b>	<b>\$675,000</b>	<b>\$407,235</b>	<b>\$1,082,235</b>

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 3

### SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2020

Table 12: Schedule 3 - 2020 Schedule of Operations by Property

<b>Property description</b>	<b>Land acquisition</b>	<b>Development costs and administrative expenses</b>	<b>Total expenses</b>	<b>Revenue</b>	<b>Contribution from the City</b>	<b>Total revenue</b>
Other properties sold in prior years	\$0	\$30,145	<b>\$30,145</b>	\$0	\$30,145	<b>\$30,145</b>
4151 Albion	4,848,106	131,194	<b>4,979,300</b>	4,979,300	0	<b>4,979,300</b>
1209 St Laurent	2,393,149	102,387	<b>2,495,536</b>	2,495,536	0	<b>2,495,536</b>
Sub-total land parcels sold	7,241,255	263,726	<b>7,504,981</b>	7,474,836	30,145	<b>7,504,981</b>
Common expenses to all properties	0	445,068	<b>445,068</b>	0	445,068	<b>445,068</b>
<b>Total</b>	<b>\$7,241,255</b>	<b>\$708,794</b>	<b>\$7,950,049</b>	<b>\$7,474,836</b>	<b>\$475,213</b>	<b>\$7,950,049</b>

See accompanying notes