

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION



## 2019 ANNUAL REPORT

### 5731 HAZELDEAN ROAD



### 2500 ST. LAURENT BLVD.



### 3071 RIVERSIDE DRIVE



### LONGFIELDS

## Message from the Chair

On behalf of the Ottawa Community Lands Development Corporation (OCLDC) and its Board of Directors, we are pleased to share the Annual Report for 2019 to our members, the City of Ottawa.

Since its incorporation in 2009, the OCLDC has been very effective over the last ten years in achieving the mandate of the Corporation. Part of the mandate is to divest of the City of Ottawa's surplus properties that are no longer needed for program requirements. As part of the divesting of these properties, the OCLDC continued to improve communities by enhancing municipally-owned land through the four pillars, which are financial, social, environmental and cultural sustainability. Thus, also eliminating carrying costs, increasing the tax base for the City of Ottawa, supporting affordable housing and enabling efficient infill development.

This annual report details some highlights over the past ten years and the performance of the OCLDC in 2019. It was a successful year for the OCLDC as it closed a major real estate transaction which generated \$5.76M in sale proceeds. Staff have also listed other properties which will move forward in this term of Council. With this last sale in 2019, over the ten-year incorporation, the OCLDC has gross sales totalling \$91M.

I would like to take this opportunity to thank Marian Simulik, who served as our Treasurer and Chief Financial Officer since the OCLDC's creation until 2019. Marian's financial expertise ensured care and custody of all financial transactions and securities of the corporation.

I can report that we are already along the way in making 2020 financially successful. We continue to achieve the mandate of the corporation and to serve this Council and the City of Ottawa.

Sincerely



Pamela Sweet  
Chair



# Report to the Members

This Annual Report provides context for the evaluation and review of the Corporation's activities and progress in 2019. The report also supports the requirements of the Corporations Act (Ontario) for holding the 2019 Annual Members' Meeting of the Ottawa Community Lands Development Corporation (OCLDC) including receipt of Audited Financial Statements for 2019.

## Mandate

On 10 October 2007, City Council approved the establishment of the Ottawa Community Lands Development Corporation (OCLDC) for implementation of the Longfields Subdivision and CentrepoinTE Town Centre projects (Report number ACS2007-BTS-RPM-0008). Staff undertook planning and engineering studies and held open house consultations with the community for the Longfields and CentrepoinTE Town Centre projects. An application for subdivision approval for the Longfields lands was initiated and draft subdivision approval was obtained for the establishment of a demonstration project.

In January 2009, City Council approved recommendations to proceed with the incorporation of the OCLDC to undertake City property development initiatives and transfer the control of the Longfields subdivision to the OCLDC (Report ACS2008-COS-RPM-0063).

In August 2009, the Letters of Patent were issued by the Ontario Ministry of Government Services establishing the Ottawa Community Lands Development Corporation/La Société d'Aménagement des Terrains Communautaires d'Ottawa for the purpose of promoting and undertaking community improvements in the City of Ottawa to improve, beautify and maintain municipally owned land, buildings and structures for the benefit of the community by:

- (i) planning, subdividing and developing or redeveloping sites owned or held by the corporation for residential, industrial, commercial, institutional, public, recreational, religious, charitable or other uses;
- (ii) constructing, operating, maintaining, owning and/or providing facilities for amusement, culture, heritage, parking and public transportation;
- (iii) acquiring, holding, selling, leasing or disposing of sites described in subparagraphs (i) and (ii) above;
- (iv) undertaking or conducting studies, research and design work;

- (v) conducting public marketing and advertising for sale in connection with the activities set out in subparagraphs (i), (ii) and (iii) above; and
- (vi) other complementary activities not inconsistent with the above noted objectives.

## **Strategic Directions**

Based on the preceding, the goal of City Council in January 2009, in creating a development corporation was to achieve the following objectives:

- Obtain “optimal value” pertaining to financial and non-financial community investment;
- Maximize financial, social, environmental and cultural sustainability;
- Initiate a single point of accountability;
- Balance municipal objectives and guiding principles;
- Segregate duties between the approval bodies and the project;
- Address business issues related to the development;
- Enter into subdivision agreements;
- Engage in community consultation;
- Maintain a focused delivery; and
- Build on community objectives.

In addition to the above directions, Ottawa City Council also identifies how the services of the Corporate Real Estate Office (CREO) will be utilized in achieving the above noted goals and objectives.

OCLDC continues to achieve its mandate, which is to enhance communities by improving and enhancing municipally-owned land through the four pillars, which are financial, social, environmental and cultural sustainability. As well, CREO is continually working to improve processes to ensure that OCLDC is efficient and effective in working to achieve its mandate.

## **Transfer of Assets from City to OCLDC**

The core business of the OCLDC is unlocking value in the City of Ottawa’s real estate portfolio through strategic development. The focus of the OCLDC activities is to determine the development potential of these assets and to work with CREO on the due diligence and transfer processes in order to optimize that development potential. The OCLDC and CREO work collaboratively to identify opportunities within the City’s real estate portfolio for development and added value. To this end, the OCLDC has

identified assets that have been earmarked for disposal or development and to market these assets to achieve the Corporation's four pillars

The OCLDC and the City use a collaborative approach for the transfer of lands currently held by the City. This approach allows the OCLDC to pre-plan and implement development strategies for lands and proceed with actual transfers at a future date once the City's disposal process is complete with respect to each parcel. This process entails circulation to relevant City Departments to determine if the parcels have corporate and/or operational needs, before being declared surplus and transferred to the OCLDC. Properties that are no longer required for City programming or operating purposes are transferred to OCLDC with development objectives approved by Council to achieve optimal value. The OCLDC also generates substantial community and financial value for the City of Ottawa through the sale of properties.

## **Sale Process for OCLDC Properties**

The OCLDC typically advertises properties for sale utilizing advertising on the City web site, signs on properties and mailing lists which include the home builders associations. Successful purchasers are typically selected through a Request for Offer (RFO) process. The OCLDC evaluation criteria are site specific and based on overall City of Ottawa Official Plan objectives and community input. To be eligible for selection, proposals must meet minimum requirements as established through the evaluation criteria. Successful proposals are selected based on achieving the highest score, i.e. achieving "optimal value" under the OCLDC Disposal Policy.

In accordance with the mandate for the corporation, the activities of OCLDC resulted in a number of benefits to the City of Ottawa. These benefits are documented below.

## **Community Benefits**

Over the past 10 years OCLDC projects have enhanced and provided significant benefits to the City of Ottawa and its communities as demonstrated below:

- Supporting the development of Institutional and community uses, such as providing sites for places of worship;
- Development of a range of residential housing types catering to changing demographic, including the development of over 1,850 new residential units;
- Providing lands for the development of affordable housing units;
- OCLDC protecting over 17 hectares of Natural Environmental Area and parkland;
- Provision of parks and contribution to recreational facilities;

- Environmental benefits through progressive sustainable development measures;
- Job creation;
- Increasing municipal tax base;
- Elimination of carrying costs for aging and surplus City assets;
- Promoting transit-oriented development;
- Promoting innovative transportation solutions like BRT stations, traffic roundabouts and traffic-calming; and,
- Supporting the construction of City infrastructure.

## **OCLDC Added Value**

Some of the advantages of selling City land through OCLDC include:

- Separating the City's land ownership/real estate development role from its planning authority role under Municipal and Planning Acts;
- Entering into Agreements with third party developers and imposing additional development control to ensure City objectives are met;
- Imposing positive covenants ie. steps a future owner must take (e.g. installing services that benefit someone else – park or road);
- Requiring additional community benefit without having to pay the purchase or discount the price (i.e. satisfy special condition imposed in agreement);
- Acting like a private developer and entering into development agreements under Sections 41 and 51 of the Planning Act;
- Attracting targeted development/industries;
- Stimulating desirable employment;
- Promoting regeneration of neighbourhoods by steering development in a different direction;
- Advancing development opportunities;
- Generating a higher rate of return from sales; and,
- Rezoning lands to target a specific density or housing form.

## **OCLDC Sales in Ten Years of Incorporation**

OCLDC has generated \$91M in gross sales since its incorporation in 2009. Expenses included legal fees and disbursements, administrative costs and general costs for a development corporation such as: engineering services, appraisals, insurance, licenses and permits, sale signs and audit fees but does not include land acquisition costs.

# Annual Highlights

## Sales

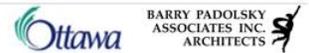
In 2019, the OCLDC sold 6285 and 6295 Campeau Drive. This transaction generated \$5.76M in gross sales of which \$1.1M was directed to Affordable Housing (The Affordable Housing Land and Funding Policy).

### 6285 and 6295 Campeau Drive - Closed in December 2019 for \$5,769,666

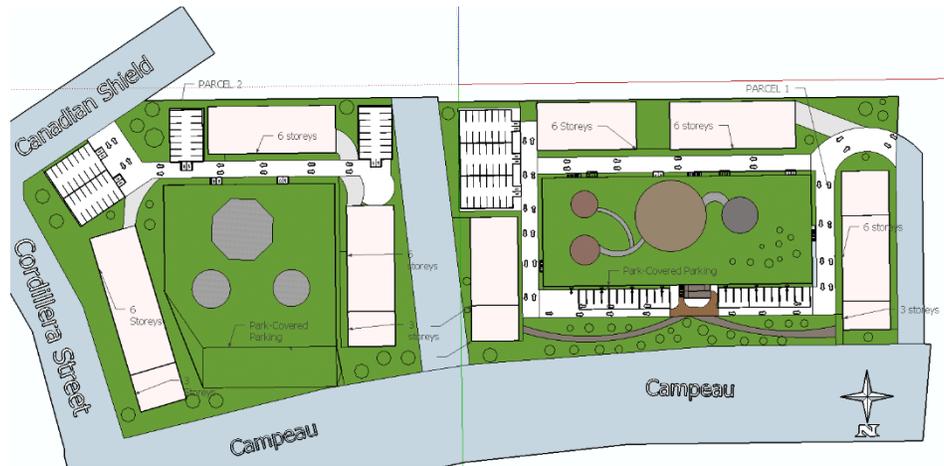
The proposal is for a multi residential development closely resembling the Kanata Town Centre Concept below. Parking is proposed to be underground covered by a green roof.



KANATA TOWN CENTRE: CONCEPT PLAN



## Concept Plans for 6285 and 6295 Campeau Drive



### Proposed Concept Plan\*

Additional benefits for the sale of 6285 and 6295 Campeau Drive included:

- Contribution to Affordable Housing (The Affordable Housing Land and Funding Policy)
- Implementation of Kanata Town Centre Official Plan policies and vision for the Kanata Town Centre
- Two parcels sold to one developer to facilitate coordinated planning and design along the Campeau Drive frontage
- Sale through OCLDC allows for greater control over how site development will interface with the adjacent core park lands

These are the last parcels fronting Campeau Drive that are part of the overall Kanata Town Centre Site.

## **Marketing and Field Work**

In 2019, in addition to the sale of 6285 and 6295 Campeau Drive, which sold for market value, the OCLDC was engaged in negotiations for the sale of the following OCLDC properties:

1209 St. Laurent Boulevard

- Listed this Transit Oriented Development (TOD) property for sale
- Received multiple offers
- Pending sale scheduled to close in 2020

3311 Greenbank Road

- Listed the property for sale
- Medium density residential subdivision in South Nepean Town Centre
- Negotiated successfully with purchaser
- Transaction to close in 2020

OCLDC also provided field work on many properties already sold and ones that will be marketed in the future including:

1305 Maritime Way

- Property sold in 2018 for development of a hotel
- Staff working with developer to complete construction of last portion of Maritime Way

In order to further its social, cultural, environmental and financial goals for the City of Ottawa, the OCLDC is continually examining strategic City properties that can be added to its portfolio. For the term of Council from 2019-2022, there are a number of properties across the City wards that are being positioned for marketing.

## **Audited Financial Statements**

The 2019 Audited Financial Statements are attached as Appendix 1. The Corporation funds its cash requirements through the support of the City of Ottawa.

## Ten Years In Review

- \$91M In Gross Sales
- 30 Properties Sold
- 12 Development Projects including residential, commercial, institutional and industrial
- Concluded agreements with 23 Different Entities
- Custom Builders
- Demonstration Projects
- \$3.6M provided to fund Affordable Housing

## Compatible Residential infill and Demonstration Community

- 25 Esquimault
- 9 Leeming
- 1435 Randall Avenue
- Longfields Subdivision

## Parks, Community Centre & Affordable Housing

- 48 Nanaimo Community Centre and additional park
- Watershield Park and Stormwater Management Pond
- 17 Hectares of Natural Environmental Area
- March Road
- Hazeldean Road
- The Haven in Longfields

## Compatible Residential infill and Demonstration Community

Longfields Demonstration Community Before and After





# Parks, Community Centre & Affordable Housing



# Current Members of the Board of Directors

The OCLDC consists of the following members:



Pamela Sweet -Chair



Kathleen Willis - Vice-Chair



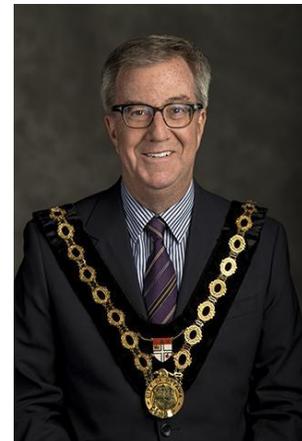
Laura Dudas - Director



Jan Harder - Director



Rawlson King - Director



Jim Watson - Director

## Current Officers

The OCLDC consists of the following Officers:

Steve Kanellakos, President and Chief Executive Officer

Wendy Stephanson, Treasurer and Chief Financial Officer

Derrick Moodie, Secretary and Chief Operating Officer

**Financial Statements  
Ottawa Community Lands  
Development Corporation  
December 31, 2019**

# 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 accompanying financial statements of the **Ottawa Community Lands Development Corporation** (the "Corporation"), which comprise the statement of financial position as at December 31, 2019, 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, 2019, 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.

## 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.

Ottawa, Canada  
August 14, 2020

*Ernst & Young LLP*  
Chartered Professional Accountants  
Chartered Professional Accountants  
Licensed Public Accountants

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2019, with comparative information for 2018

Table 1: Statement of Financial Position - Assets

<b>Assets</b>	<b>2019</b>	<b>2018</b>
<b>Financial assets</b>		
Taxes recoverable	\$14,655	\$25,774
Due from the City of Ottawa [note 5]	1,196,970	1,787,466
<b>Total financial assets</b>	<b>1,211,625</b>	<b>1,813,240</b>

Table 2: Statement of Financial Position - Liabilities

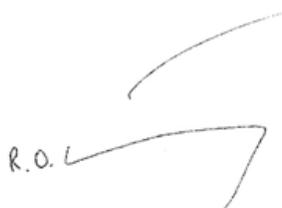
<b>Liabilities</b>	<b>2019</b>	<b>2018</b>
Accounts payable and accrued liabilities	480,451	941,771
Performance security [note 6]	857,500	980,000
<b>Total liabilities</b>	<b>1,337,951</b>	<b>1,921,771</b>
<b>Net debt</b>	<b>(126,326)</b>	<b>(108,531)</b>

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

<b>Non-financial assets</b>	<b>2019</b>	<b>2018</b>
Other assets [note 7]	126,326	108,531
<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, 2019, with comparative information for 2018

Table 4: Statement of Operations - Revenue

<b>Revenue [schedule 2]</b>	<b>2019</b>	<b>2018</b>
Land sales	\$5,769,666	\$7,668,800
Contribution from the City of Ottawa [note 5 and schedule 2]	443,083	525,459
<b>Total revenue</b>	<b>6,212,749</b>	<b>8,194,259</b>

Table 5: Statement of Operations - Expenses

<b>Expenses (recoveries) [schedule 1]</b>	<b>2019</b>	<b>2018</b>
Land acquisition	5,593,112	6,645,059
Development costs (recoveries)	(26,302)	818,784
Administrative expenses	435,721	463,725
Legal disbursements	210,218	266,691
<b>Total expenses</b>	<b>6,212,749</b>	<b>8,194,259</b>
<b>Excess of revenue over expenses for year</b>	<b>0</b>	<b>0</b>
Accumulated surplus, beginning of the year	0	0
<b>Accumulated surplus, end of year</b>	<b>\$0</b>	<b>\$0</b>

See accompanying notes

## STATEMENT OF CHANGES IN NET DEBT

For the year ended December 31, 2019, with comparative information for 2018

Table 6: Statement of Changes in Net Debt

<b>Statement of changes in net debt</b>	<b>2019</b>	<b>2018</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$0</b>	<b>\$0</b>
(Increase) decrease in other assets	(17,795)	22,403
<b>Net debt at beginning of year</b>	<b>(108,531)</b>	<b>(130,934)</b>
<b>Net debt at end of year</b>	<b>\$(126,326)</b>	<b>\$(108,531)</b>

See accompanying notes

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## *NOTES TO THE FINANCIAL STATEMENTS*

*DECEMBER 31, 2019*

### **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.

#### **New Accounting Standards**

The Public Sector Accounting Board issued new accounting standards effective for fiscal years beginning on or after April 1, 2018.

PS 3430 Restructuring Transactions [“PS 3430”] establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor. The Corporation did not have any applicable restructuring transactions meeting the criteria established within PS 3430.

#### **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.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## *NOTES TO THE FINANCIAL STATEMENTS*

*DECEMBER 31, 2019*

### **Financial instruments**

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

### **Cash flow**

The Corporation funds its cash requirements through the support of the City of Ottawa. The only cash transactions in fiscal 2019 were deposits totalling \$5,745,821 [2018 – \$7,887,393] representing land sale proceeds of \$5,719,666 [2018 – \$7,568,800], tax refund of \$25,773 [2018 – \$21,809], security deposit of \$0 [2018 – \$278,000], and other miscellaneous items totalling \$382 [2018 – \$18,784] that were subsequently transferred to the City of Ottawa. All other cash transactions from operating activities were processed through the City of Ottawa. The Corporation did not have cash movement from financing or investing activities during 2019 or 2018.

### **Use of estimates**

The preparation of financial statements in accordance with the 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 revenues 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 amount 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.

# **OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

### **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.

### **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 or 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 at December 31, 2019 and 2018 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.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

Table 7: Related Party Transactions

Related party transactions	2019	2018
Land acquisition	\$5,593,112	\$6,645,059
Legal and realty taxes disbursements	3,961	34,735
Administrative expenses	435,721	463,725
Contribution from the City of Ottawa	443,083	525,459

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 \$5,769,666 [2018 - \$6,645,059] included in land acquisition costs on the statement of operations. Legal and realty taxes disbursements consist of \$2,088 [2018 - \$2,088] included in other assets on the statement of financial position and \$3,961 [2018 - \$34,735] included in legal disbursements on the statement of operations. Administrative expenses consist of \$435,721 [2018 - \$463,725] included in the administrative fee balance in 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	2019	2018
<b>Opening balance of due from the City of Ottawa</b>	<b>\$1,787,466</b>	\$854,612
Decrease in deposits for future sales	0	(100,017)
(Increase) Decrease in other assets	(17,795)	22,403
Decrease (Increase) in taxes recoverable	11,119	(3,965)
(Decrease) Increase in accounts payable and accrued liabilities	(461,320)	564,433
(Decrease) Increase in performance security	(122,500)	450,000
<b>Net change</b>	<b>(590,496)</b>	932,854
<b>Closing balance of due from the City of Ottawa</b>	<b>\$1,196,970</b>	\$1,787,466

As at December 31, 2019, there are promissory notes outstanding of \$0 [2018 - \$67,789] for security of subdivisions agreements between the Corporation and the City of Ottawa.

# **OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

### **6. PERFORMANCE SECURITY**

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 are 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, 2019, the Corporation has the amount of \$857,500 [2018 - \$980,000) in performance and construction securities and \$1,866,750 [2018 - \$295,750] in Letters of Credit in the Corporation's favour for those properties sold in current and prior years.

### **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 the City Council. These costs will be transferred to land inventory held-for-sale once the related property has been transferred to the Corporation. For projects that are abandoned, costs are immediately expensed.

### **8. SUBSEQUENT EVENTS**

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Government of Canada has announced a new set of economic measures to stabilize the economy during this challenging period. The ongoing situation remains fluid and the Corporation is currently assessing the impacts of this on its operations. At this time, it is not possible to reliably estimate any further impacts that the global COVID-19 outbreak may have on the financial results and condition of the Corporation.

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

### **SCHEDULE 1**

### **SCHEDULE OF EXPENSES**

For the year ended December 31, 2019, with comparative information for 2018

Table 9: Schedule 1 Schedule of Expenses

<b>Expenses (recoveries)</b>	<b>2019</b>	<b>2018</b>
<b>Land acquisition [note 4]</b>	<b>\$5,593,112</b>	<b>\$6,645,059</b>
<b>Development costs (recoveries)</b>		
Servicing	<b>3,324</b>	757,466
Cost recoveries	<b>(116,287)</b>	0
Engineering services	<b>33,423</b>	27,163
Insurance, licenses and permits	<b>45,422</b>	29,700
Corporation tax return preparation and financial statement audit	<b>5,963</b>	4,192
For sale signs	<b>1,853</b>	263
<b>Total development costs (recoveries)</b>	<b>(26,302)</b>	818,784
<b>Administrative expenses</b>	<b>435,721</b>	463,725
<b>Legal disbursements</b>		
Legal fees, registration fees, execution certificates and land transfer tax	<b>210,218</b>	266,691
<b>Total expenses</b>	<b>\$6,212,749</b>	<b>\$8,194,259</b>

See accompanying notes

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 3

### SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2019

Table 10: 2019 Schedule 2 Schedule of Operations by Property

Property description	Land acquisition	Development costs (recoveries) and administrative expenses	Total expenses (recoveries)	Revenue	Contribution from (to) the City	Total revenue (expense)
Phase I & II	\$0	\$(86,071)	<b>\$(86,071)</b>	\$0	\$(86,071)	<b>\$(86,071)</b>
Other properties sold in prior years	0	32,485	<b>32,485</b>	0	32,485	<b>32,485</b>
6285 6295 Campeau	5,593,112	176,554	<b>5,769,666</b>	5,769,666	0	<b>5,769,666</b>
Sub-total land parcels sold	5,593,112	122,968	<b>5,716,080</b>	5,769,666	(53,586)	<b>5,716,080</b>
Common expenses to all properties	0	496,669	<b>496,669</b>	0	496,669	<b>496,669</b>
<b>Total</b>	<b>\$5,593,112</b>	<b>\$619,637</b>	<b>\$6,212,749</b>	<b>\$5,769,666</b>	<b>\$443,083</b>	<b>\$6,212,749</b>

# OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

## SCHEDULE 2

### SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2018

Table 11: 2018 Schedule 2 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>
Phase I & II & Other properties sold in prior years	\$0	\$16,760	<b>\$16,760</b>	\$0	\$16,760	<b>\$16,760</b>
788 March Road	836,482	63,518	<b>900,000</b>	900,000	0	<b>900,000</b>
651 Longfields	463,278	45,522	<b>508,800</b>	508,800	0	<b>508,800</b>
156-160 Lyon	5,112,078	137,922	<b>5,250,000</b>	5,250,000	0	<b>5,250,000</b>
1305 Maritime	233,221	776,779	<b>1,010,000</b>	1,010,000	0	<b>1,010,000</b>
Phase 1 125 Watershield	0	1,379	<b>1,379</b>	0	1,379	<b>1,379</b>
Sub-total land parcels sold	6,645,059	1,041,880	<b>7,686,939</b>	7,668,800	18,139	<b>7,686,939</b>
Common expenses to all properties	0	507,320	<b>507,320</b>	0	507,320	<b>507,320</b>
<b>Total</b>	<b>\$6,645,059</b>	<b>\$1,549,200</b>	<b>\$8,194,259</b>	<b>\$7,668,000</b>	<b>\$525,459</b>	<b>\$8,194,259</b>

See accompanying notes