

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION Annual Report 2016

Letter from the Chair



On behalf of the Ottawa Community Lands Development Corporation (OCLDC) and its Board of Directors, we are pleased to present the Annual Report for 2016.

This annual report details the performance of the OCLDC for 2016. The OCLDC is on track to generate \$22M over this term of Council. It is worth noting, that while a solid annual financial result is important, achieving our mandate to enhance communities by improving and beautifying municipally-owned land through our four pillars approach, which are financial, social, environmental and cultural sustainability is our key goal.

Looking forward, the OCLDC will continue to bring projects to market to optimize the community and financial value to the City of Ottawa. The OCLDC mandate includes divesting of surplus properties that are no longer needed for program requirements. Disposal of these properties helps eliminate carrying costs, increases the tax base for the City of Ottawa, supports affordable housing and enables efficient infill development.

A significant amount of time in 2016 involved the OCLDC preparing a number of projects to be ready to market. One major project was 3071 Riverside Drive, for which we have an agreement and is scheduled to close in early 2017. This project will commence in 2017 and will include a mixed-use adult life-style community with residential units, commercial units, one level of underground parking, surface parking and a 1.5 acre park.

I would like to thank the Board of Directors and staff for their dedication to the OCLDC. We look forward to a successful year as we continue to serve the City of Ottawa.

Sincerely



Director Marianne Wilkinson
Chair



Report to the Shareholder

This Annual Report provides context for the evaluation and review of the Corporation's activities and progress in 2016. The report also supports the requirements of the Business Corporations Act (Ontario) for holding the 2016 Annual General Meeting of the shareholder of the Ottawa Community Lands Development Corporation (OCLDC) including receipt of Audited Financial Statements for 2016.

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 granted in September 2008.

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 our mandate, which is to enhance communities, by improving and beautifying 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 they are efficient and effective working to achieve the OCLDC’s 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. Such assets include former school sites, as well as underutilized and strategic parcels of land.

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 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. OCLDC also provides disposal advice and expertise to CREO for strategic parcels of land.

Sale Process for OCLDC Properties

The OCLDC typically advertises properties for sale through advertising in local media, signs on properties and through mailing lists which include the home builders associations. Successful purchasers are typically selected through a Request for Offer (RFO) process. To be eligible for selection, proposals must meet minimum requirements that reflect the mandate of the OCLDC. Winning proposals are selected based on achieving the highest score, based on the objective of achieving “optimal value” under the OCLDC Disposal Policy.

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

Community Benefits

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 churches, mosques and schools;
- Development of a range of residential housing types catering to changing demographic;
- Non Profit Housing;
- Facilitating the development of an additional 1,850 new residential units catering to varied demographics;
- Providing lands for the development of affordable housing units;
- Protecting 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;
- Increased municipal tax base;
- Elimination of carrying costs for aging and surplus City assets;
- Promoting transit oriented development;
- Promoting innovated traffic solutions; and,
- Supported the construction of City infrastructure.

Annual Highlights

Marketing

In 2016, the OCLDC marketed five (5) properties for sale. In spite of the market conditions, the OCLDC secured agreements for 3071 Riverside Drive and 1435 Randall Avenue. Both these agreements are scheduled to close in early 2017.



3071 Riverside Drive (Bayview School)

Property Size: 4.29 hectares

A surplus school site that was acquired for by the City in 2008. This property has frontage along Riverside Drive and is immediately opposite Mooney's Bay beach and park. Currently zoned Institutional based on previous school use but will permit low or medium density residential.



1435 Randall Avenue

Property Size: 0.27 hectares

Clean up of a former watermain tower site that has now been decommissioned and dismantled. The site is surrounded on the north side by the Alta Vista Fire Station, single detached dwellings to the south and west, and Ellwood Non-Profit.

The Haven

As part of the Longfields project a block of land was transferred to the City's Affordable Housing Branch. The Branch partnered with Multifaith Housing Initiative (MFI) and began construction in 2015. Construction continued in 2016 and completion is anticipated in 2017 of "The Haven".



The Haven will consist of townhomes and two low-rise apartment buildings, multi-use community space, an outdoor children's playground and a community garden. This new community of 98 units assists in meeting the City's affordable housing needs.

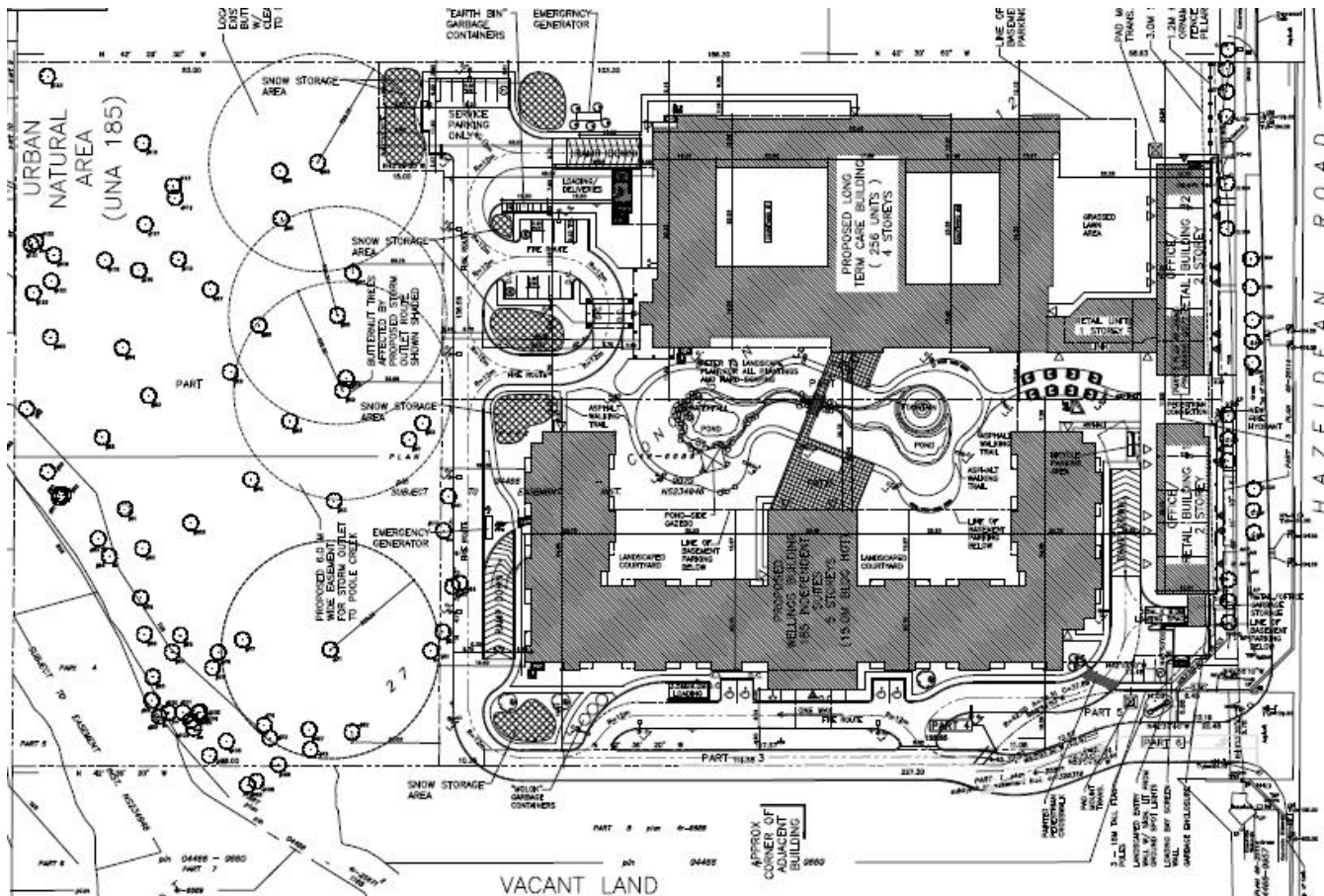


Design Review of Builder Architectural Plans

The review of designs and inspections is an ongoing activity that ensures builders and purchasers complete the developments in accordance with concept and architectural plans that were used in the selection of successful proposals. Any deficiencies are identified to builders and those builders are required to rectify deficiencies before securities can be released. OCLDC staff is currently monitoring the following projects for compliance with building and architectural concept plan designs:

- (i) Longfields builder designs by Monarch, Cardel, Bulat, Campanale, Mattino and Richcraft
- (ii) 9 Leeming, Maple Leaf Homes
- (iii) 2500 St. Laurent, Conroy Business Park Inc.
- (iv) 5731 Hazeldean, Wellings Communities Holding Inc. and Extencicare (Canada) Inc.

5731 Hazeldean Road Site Plan Proposal



Audited Financial Statements

The 2016 Audited Financial Statements are attached as Appendix 1. The Corporation funds its cash requirements through the support of the City of Ottawa.

Future Development Prospects

The OCLDC continues to pursue both financial and non-financial ways to add value to its strategic disposals. In order to meet its obligations to the City of Ottawa, the OCLDC continually examines City properties that can be added to its portfolio for the term of Council from 2014 – 2018.

The OCLDC continues to work on the following properties:

2140 Baseline Road - Property Size: 0.30 hectares

Originally part of Constellation Crescent and Baseline Road but was realigned and the road closing was completed. Current zoning is Mixed Use Centre. Subject to Centrepointe Town Centre Concept Plan and Design Guidelines.



- Former Road Allowance
- Originally non-viable parcel
- Made viable through road closing, including removal and relocation of utilities

6301 Campeau Drive - Property Size: 11.59 hectares

Land is in the Kanata Town Centre and one of three suburban Town Centres identified in City's Official Plan designated as a Mixed-Use Centre.



- Situated in the Kanata Town Centre
- One of three suburban Town Centres identified in Ottawa Official Plan
- Potential Mixed-Use Development Centre in close proximity to transit.

Current Members of the Board of Directors

The OCLDC consists of the following members:



Marianne Wilkinson -
Chair



Stephen Blais -
Vice-Chair



David Chernushenko -
Director



Rick Chiarelli -
Director



Diane Deans -
Director



Jan Harder -
Director



Jeff Leiper -
Director



Jim Watson -
Director

**Financial Statements
Ottawa Community Lands
Development Corporation
December 31, 2016**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the **Ottawa Community Lands Development Corporation**, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and changes in net debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Ottawa Community Lands Development Corporation** as at December 31, 2016, and the results of its operations and changes in its net debt for the year then ended in accordance with Canadian public sector accounting standards.

Signed original on file

Ottawa, Canada

Chartered Professional Accountants

April 21, 2017

Licensed Public Accountants

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016, with comparative information for 2015

1: Statement of Financial Position - Assets

Assets		
Financial assets	2016	2015
Taxes recoverable	\$37,314	\$232,420
Accounts receivable	200,000	222,681
Due from the City of Ottawa [note 5]	1,660,549	238,523
Total financial assets	1,897,863	693,624

2: Statement of Financial Position - Liabilities

Liabilities	2016	2015
Accounts payable and accrued liabilities	543,994	539,554
Deposit agreements for future sales [note 3 and schedule 1]	1,375,000	50,000
Performance security	172,500	122,500
Total liabilities	2,091,494	712,054
Net debt	(193,631)	(18,430)

3: Statement of Financial Position - Non-Financial Assets

Non-financial assets	2016	2015
Other assets [note 6]	193,631	18,430
Accumulated surplus	\$0	\$0

Commitments [note 7]

See accompanying notes

On behalf of the Board:



Director



Director

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

STATEMENT OF OPERATIONS

For the year ended December 31, 2016, with comparative information for 2015

4: Statement of Operations - Revenue

Revenue [schedule 3]	2016	2015
Land sales	\$0	\$5,800,000
Contribution from the City of Ottawa [note 5 and schedule 3]	690,471	488,539
Total revenue	690,471	6,288,539

5: Statement of Operations - Expenses

Expenses [schedule 2]	2016	2015
Land acquisition [note 4]	0	5,659,581
Development costs	267,582	181,172
Administrative expenses	398,061	306,060
Legal disbursements	24,828	141,726
Total expenses	690,471	6,288,539
Excess of revenue over expenses for year	0	0
Accumulated surplus, beginning of the year	0	0
Accumulated surplus, end of year	\$0	\$0

See accompanying notes

STATEMENT OF CHANGES IN NET DEBT

For the year ended December 31, 2016, with comparative information for 2015

6: Statement of Changes in Net Debt

Statement of changes in net debt	2016	2015
Excess of revenue over expenses for the year	\$0	\$0
Increase in other assets	(175,201)	(16,354)
Net debt at beginning of year	(18,430)	(2,076)
Net debt at end of year	\$(193,631)	\$(18,430)

See accompanying notes

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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 cash, taxes recoverable, accounts receivable, related party balances due from the City of Ottawa, accounts payable and accrued liabilities and deposit agreements for future sales. 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, 2016

Cash flow

The Corporation funds its cash requirements through the support of the City of Ottawa. The only cash transactions in fiscal 2016 were deposits totalling \$314,886 [2015 – \$5,864,173] representing land sale proceeds of nil [2015 – \$5,500,510], tax refund of \$237,835 [2015 – \$303,628], and other miscellaneous items totalling \$77,051 [2015 – \$60,035] 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 2016 or 2015.

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.

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, 2016

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.

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:

7: Related Party Transactions

Related party transactions	2016	2015
Land acquisition [including inventory]	\$0	\$5,659,581
Legal and realty taxes disbursements	15,889	27,190
Administrative expenses	398,061	306,060
Contribution from the City of Ottawa	690,471	488,539

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.

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

Net purchase price of lands consists of nil [2015 - nil] included in inventory on the statement of financial position and nil [2015 - \$5,659,581] included in land acquisition costs on the statement of operations. Legal and realty taxes disbursements consist of \$19,950 [2015 - \$2,080] included in other assets on the statement of financial position and \$15,889 [2015 - \$27,190] included in legal disbursements on the statement of operations. Administrative expenses consist of nil [2015 - nil] included in other assets on the statement of financial position and \$398,061 [2015 - \$306,060] included in the administrative fee balance in the statement of operations.

Change in due from the City of Ottawa is comprised of the following:

8: Change in due from the City of Ottawa

Change in due from the City of Ottawa	2016	2015
Opening balance of due from the City of Ottawa	\$238,523	\$2,265,888
Increase in deposits for future sales	1,325,000	0
Decrease (Increase) in accounts receivable	22,681	(214,509)
Increase in other assets	(175,201)	(16,354)
Decrease in taxes recoverable	195,106	71,202
Increase (Decrease) in accounts payable and accrued liabilities	4,440	(1,917,704)
Increase in performance security	50,000	50,000
Net change	1,422,026	(2,027,365)
Closing balance of due from the City of Ottawa	\$1,660,549	\$238,523

As at December 31, 2016, there are promissory notes outstanding of \$2,881,268 [2015 - \$2,881,268] for security of subdivisions agreements between the Corporation and the City of Ottawa. As at December 31, 2016, there are promissory notes outstanding of nil [2015 - nil] in relation to the future sale of specific land parcels held for resale which were transferred from the City of Ottawa. The promissory notes do not bear interest and have no specific terms of repayment.

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

6. 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.

7. COMMITMENTS

As at December 31, 2016, the Corporation has outstanding commitments amounting to \$19,871 [2015 - nil].

8. SUBSEQUENT EVENT

Subsequent to year-end, 3071 Riverside Drive was purchased by the Corporation from a related party and was subsequently sold to a third party for \$16,500,000 on March 9, 2017. As at December 31, 2016, \$1,325,000 was included in deposits for future sales and \$39,602 was included in other assets. Legal disbursements of \$327,937 were incurred in Q1 2017 for the sale of this property and a further \$10,000 are to be expected.

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

SCHEDULE 1

SCHEDULE OF DEPOSIT AGREEMENTS FOR FUTURE SALES

For the year ended December 31, 2016, with comparative information for 2015

9: Schedule 1 Schedule of Deposit Agreements for Future Sales

Land descriptions	2016	2015
651 Longfields Drive	\$50,000	\$50,000
3071 Riverside Drive	1,325,000	0
Total deposit agreements for future sales	\$1,375,000	\$ 50,000

See accompanying notes

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

SCHEDULE 2 SCHEDULE OF EXPENSES

For the year ended December 31, 2016, with comparative information for 2015

10: Schedule 2 Schedule of Expenses

Expenses	2016	2015
Land acquisition [Schedule 2] [note 4]	\$0	\$5,659,581
Development costs		
Servicing	172,183	4,942
Engineering services	53,626	144,370
Utility relocation [note 2]	0	(13,924)
Insurance, licenses and permits	24,838	23,740
Corporation tax return preparation and financial statement audit	11,664	6,800
For sale signs	5,271	15,244
Total development costs	267,582	181,172
Administrative expenses	398,061	306,060
Legal disbursements		
Legal fees, registration fees, execution certificates and land transfer tax	24,828	141,726
Total expenses	\$690,471	\$6,288,539

See accompanying notes

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

SCHEDULE 3

SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2016

11: 2016 Schedule 3 Schedule of Operations by Property

Property description	Land acquisition	Development costs and administrative expenses	Total expenses	Revenue	Contribution from the City	Total revenue
Phase I & II & Other properties sold in prior years	\$0	\$245,622	\$245,622	\$0	\$245,622	\$245,622
Sub-total land parcels sold	0	245,622	245,622	0	245,622	245,622
Common expenses to all properties	0	434,298	434,298	0	434,298	434,298
Phase 1 125 Watershield	0	10,551	10,551	0	10,551	10,551
Total	\$0	\$690,471	\$690,471	\$0	\$690,471	\$690,471

OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION

SCHEDULE 3

SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2015

12: 2015 Schedule 3 Schedule of Operations by Property

Property description	Land acquisition	Development costs and administrative expenses	Total expenses	Revenue	Contribution from the City	Total revenue
Phase I properties sold in prior years	\$0	\$135,816	\$135,816	\$0	\$135,816	\$135,816
2500 St Laurent	1,657,717	42,283	1,700,000	1,700,000	0	1,700,000
5731 Hazeldean	4,001,864	98,136	4,100,000	4,100,000	0	4,100,000
Sub-total land parcels sold	5,659,581	276,235	5,935,816	5,800,000	135,816	5,935,816
Common expenses to all properties	0	342,524	342,524	0	342,524	342,524
Phase 1 125 Watershield	0	10,199	10,199	0	10,199	10,199
Total	\$5,659,581	\$628,958	\$6,288,539	\$5,800,000	\$488,539	\$6,288,539

See accompanying notes