

Financial Statements

**Manotick Mill Quarter Community
Development Corporation**
December 31, 2011

INDEPENDENT AUDITORS' REPORT

To the Board Members, Mayor and Members of Council of the
Manotick Mill Quarter Community Development Corporation

We have audited the accompanying financial statements of the **Manotick Mill Quarter Community Development Corporation**, which comprise the statement of financial position as at December 31, 2011, the statement of operations 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 generally accepted accounting principles, 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 **Manotick Mill Quarter Community Development Corporation** as at December 31, 2011 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Ottawa, Canada,
June 26, 2012.

Chartered Accountants
Licensed Public Accountants

Manotick Mill Quarter Community Development Corporation
Incorporated under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at December 31

	2011	2010
	\$	\$
ASSETS		
Accounts receivable	1,028	—
Due from the City of Ottawa [note 3]	16,733	4,503
	<u>17,761</u>	<u>4,503</u>
LIABILITIES		
Accounts payable and accrued liabilities	17,761	4,503
	<u>17,761</u>	<u>4,503</u>

See accompanying notes

On behalf of the Board:

Director



Director

Manotick Mill Quarter Community Development Corporation

STATEMENT OF OPERATIONS

Year ended December 31

	2011	2010
	\$	\$
REVENUE		
City of Ottawa <i>[note 3]</i>	29,024	4,503
	<u>29,024</u>	<u>4,503</u>
EXPENSES <i>[schedule 1]</i>		
Professional services	27,617	4,503
Legal fees	1,407	—
	<u>29,024</u>	<u>4,503</u>
Excess of revenue over expenses for the year	—	—
Accumulated surplus, beginning of year	—	—
Accumulated surplus, end of year	<u>—</u>	<u>—</u>

See accompanying notes

SCHEDULE OF EXPENSES

Year ended December 31

	2011	2010
	\$	\$
Professional services		
Environmental architect	22,551	—
Corporation tax return preparation and financial statement audit	5,066	4,503
	<u>27,617</u>	<u>4,503</u>
Legal fees	1,407	—
	<u>29,024</u>	<u>4,503</u>

See accompanying notes

Manotick Mill Quarter Community Development Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

1. NATURE OF BUSINESS

The Manotick Mill Quarter Community Development Corporation [the "Corporation"] was incorporated on August 24, 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 owned by the City of Ottawa.

The Corporation has financed its cash requirements through the support of 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 Canadian Institute of Chartered Accountants. 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.

Basis of accounting

Revenue and expenses are reported on the accrual basis of accounting.

Financial instruments

The Corporation's financial instruments consist of related party balances due from the City of Ottawa and accounts payable and accrued liabilities.

3. RELATED PARTY TRANSACTION

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

The revenue included on the statement of operations represents a recovery of expenses incurred by the Corporation from the City of Ottawa.

