

Capital Region Housing Corporation 2022 Financial Statements

British Columbia, Canada
Fiscal year ended December 31, 2022

CRHC
Capital Region Housing Corporation

Capital Region Housing Corporation

Financial Statements

December 31, 2022

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December 31, 2022

CONTENTS

PAGE

Reports

Independent Auditor's Report.....	2
Management Report.....	5

Financial Statements

Statement of Financial Position.....	6
Statement of Operations.....	7
Statement of Changes in Net Assets & Remeasurement Gains & Losses.....	8
Statement of Cash Flows.....	9
Notes to the Financial Statements.....	10

Schedules

Changes in Replacement Reserve Fund.....	22
Changes in Portfolio Stabilization Reserves.....	23
Capital Assets.....	24
Capital Fund - Mortgages Payable.....	26
Operating Fund - Rental Operations.....	27



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of the Capital Region Housing Corporation

Opinion

We have audited the financial statements of the Capital Region Housing Corporation (the Corporation), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets and remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022, and its results of operations, its changes in net assets and remeasurement gains and losses, 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 auditor's 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 other 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.

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Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

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 the financial statements.

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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.
- 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 11, 2023

**Capital Regional District
Capital Region Housing Corporation**

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors are responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditor, KPMG LLP, conduct an independent examination, in accordance with Canadian public sector accounting standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditor had full and free access to staff and management. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2022.

On behalf of Capital Regional District and Capital Region Housing Corporation,



Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 10, 2023

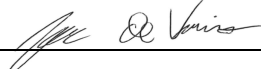
Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 10,350,289	\$ 7,872,078
Accounts receivable	2,887,911	1,374,220
Prepaid expenses	697,314	628,182
Investments	6,500,000	-
	20,435,514	9,874,480
Cash and cash equivalents restricted for replacement reserve (Note 2)	8,168,045	6,900,663
Capital assets (Note 3 and Schedule C)	217,260,292	188,330,922
	\$ 245,863,851	\$ 205,106,065
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	4,014,200	2,062,933
Accrued mortgage interest	336,975	326,483
Due to Capital Regional District	425,418	80,748
Deferred revenue	591,704	701,750
Security deposits	1,141,108	1,034,183
Short-term capital financing (Note 4)	21,157,445	2,151,025
Mortgages payable principal current portion (Schedule D)	6,213,290	6,151,134
Mortgages payable principal renewal portion (Note 5 and Schedule D)	595,492	3,747,610
	34,475,632	16,255,866
Mortgages payable (Note 5 and Schedule D)	151,795,738	150,343,987
Capital stock (Note 6)	1	1
Net assets:		
Invested in capital assets (Note 7)	46,108,390	26,879,486
Externally restricted (Note 8)	12,127,169	10,076,031
Internally restricted (Note 8)	1,126,460	1,003,312
Unrestricted: Corporation stabilization reserve (Note 9)	865,527	664,933
	60,227,546	38,623,762
Accumulated remeasurement losses	(635,066)	(117,551)
	59,592,480	38,506,211
Commitments and contingencies (Note 10)		
Subsequent event (Note 13)		
	\$ 245,863,851	\$ 205,106,065

See accompanying notes to the financial statements.

On behalf of the Board:



Director



Director

Statement of Operations

For the Year Ended December 31, 2022

	Operating Funds		Restricted Funds		Total 2022	Total Recast 2021 (Note 14)
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund		
Revenues:						
Tenant rent contributions	\$ -	\$21,246,546	\$ -	\$ -	\$ 21,246,546	\$ 18,482,139
BCHMC rent subsidy assistance	-	302,636	-	-	302,636	330,338
BCHMC umbrella operating agreement funding	-	2,760,874	-	-	2,760,874	2,858,390
Rental management fees - third parties	81,139	-	-	-	81,139	79,548
Investment income	151,529	-	-	378,407	529,936	212,091
Guest suites, net	4,371	-	-	-	4,371	(1,096)
Miscellaneous	27,895	247,652	-	-	275,547	226,598
Project management fees	411,000	-	-	-	411,000	361,732
Government contributions (Note 10d)	-	-	18,336,829	-	18,336,829	5,929,330
	675,934	24,557,708	18,336,829	378,407	43,948,878	28,479,070
Expenses:						
Administration and property management	3,280,235	-	-	-	3,280,235	2,599,269
Amortization	-	-	7,359,920	-	7,359,920	7,140,382
Property taxes	-	4,500	-	-	4,500	28,751
Insurance	-	1,267,119	-	-	1,267,119	1,139,572
Maintenance	-	1,625,882	-	-	1,625,882	1,231,145
Caretakers	-	1,797,648	-	-	1,797,648	1,789,881
Landscape	-	402,165	-	-	402,165	409,285
Electricity	-	342,902	-	-	342,902	402,265
Land and improvement leases	-	299,474	-	-	299,474	294,000
Water	-	1,415,924	-	-	1,415,924	1,309,824
Oil and gas	-	246,876	-	-	246,876	174,264
Garbage	-	338,958	-	-	338,958	312,005
Rental management fee	(2,807,698)	2,807,698	-	-	-	-
Audit and legal	-	33,600	-	-	33,600	33,642
Miscellaneous	-	34,425	-	-	34,425	33,580
Hospitality services (Parry Place)	-	321,584	-	-	321,584	298,093
Interest on mortgages payable	-	3,573,882	-	-	3,573,882	3,282,707
Loss on disposal of capital assets	-	-	-	-	-	437,439
	472,537	14,512,637	7,359,920	-	22,345,094	20,916,104
Excess of revenues over expenses	\$ 203,397	\$10,045,071	\$ 10,976,909	\$ 378,407	\$ 21,603,784	\$ 7,562,966

See accompanying notes to the financial statements.

Statement of Changes in Net Assets & Remeasurement Gains & Losses

For the Year Ended December 31, 2022

	Operating Funds		Restricted Funds		Remeasurement Gains / (Losses)	Total 2022	Total 2021
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund			
Net assets, beginning of year	\$ 828,687	\$ 4,014,932	\$ 26,879,486	\$ 6,900,657	\$ (117,551)	\$ 38,506,211	\$ 31,196,762
Excess of revenues over expenses	203,397	10,045,071	10,976,909	378,407	-	21,603,784	7,562,966
Interfund transfers:							
Mortgage principal repayments	-	(6,145,126)	6,145,126	-	-	-	-
Replacement reserve transfers	-	(2,995,850)	-	2,995,850	-	-	-
Replacement reserve expenditures	-	-	2,106,869	(2,106,869)	-	-	-
	-	(9,140,976)	8,251,995	888,981	-	-	-
Unrealized loss on investments	-	-	-	-	(517,515)	(517,515)	(253,517)
Net assets, end of year	\$ 1,032,084	\$ 4,919,027	\$ 46,108,390	\$ 8,168,045	\$ (635,066)	\$ 59,592,480	\$ 38,506,211

See accompanying notes to the financial statements.

Statement of Cash Flows

For the Year Ended December 31, 2022

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 21,603,784	\$ 7,562,966
Items not involving cash:		
Amortization	7,359,920	7,140,382
Loss on disposal of capital assets	-	437,439
Changes in non-cash assets and liabilities:		
(Increase) in accounts receivable	(1,513,691)	(731,334)
(Increase) in inventory and prepaid expenses	(69,132)	(86,849)
Increase in accounts payable and accrued liabilities	1,951,267	1,048,385
Increase in accrued mortgage interest	10,492	116,519
(Decrease) in deferred revenue	(110,046)	(2,258)
Increase in security deposits	106,925	238,902
Increase (decrease) due to Capital Regional District	344,670	(23,706)
Net change in cash from operating activities	29,684,189	15,700,446
Investing activities:		
(Increase) in restricted cash and cash equivalents	(1,784,897)	(1,219,730)
(Increase) in investments	(6,500,000)	-
Net change in cash from investing activities	(8,284,897)	(1,219,730)
Capital activities:		
Acquisition of capital assets	(36,289,290)	(34,823,395)
Net change in cash from capital activities	(36,289,290)	(34,823,395)
Financing activities:		
Repayment of mortgages payable	(6,138,211)	(6,473,745)
Proceeds from long term debt	4,500,000	86,853,066
Repayment of short term debt	(2,151,025)	(61,277,457)
Proceeds from short term debt	21,157,445	2,151,025
	17,368,209	21,252,889
Net change in cash and cash equivalents	2,478,211	910,210
Cash and cash equivalents, beginning of year	7,872,078	6,961,868
Cash and cash equivalents, end of year	\$ 10,350,289	\$ 7,872,078

See accompanying notes to the financial statements.

Capital Region Housing Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2022

General

The Capital Region Housing Corporation (the "Corporation") is incorporated under the laws of British Columbia and its principal activities include the acquisition, construction, and provision of rental accommodation. As a wholly owned subsidiary of the Capital Regional District ("CRD"), the Corporation is exempt from taxation under the Income Tax Act and is regarded as a municipality for GST purposes.

1. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

a. Revenue Recognition

The Corporation follows the restricted fund balance method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year to which the funding relates. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

b. Fund Accounting

i. Operating Funds

The Operating Funds reflect the Corporation's assets, liabilities and transactions relating to the ongoing rental and non-rental operations ("Corporation"). In accordance with the agreements with British Columbia Housing Management Commission (BCHMC), a Portfolio Stabilization Reserve has been established for each portfolio's accumulated operating surplus. The Corporation has also established a reserve for the No Operating Agreement portfolio. These reserves are used in the event that annual rental revenues and government subsidies are inadequate to meet the portfolio's mortgage payments and operating costs. The Corporation can also contribute funds from these reserves to the Replacement Reserve Fund, if required. At the discretion of the Board, the unrestricted Corporate Stabilization Reserve provides funding for administration and special projects. The Corporation allocates administration and property management costs incurred in the Corporation Operating Fund to the Rental Housing Operating Fund through Rental management fees.

ii. Capital Fund

The Capital Fund reflects the Corporation's investment in capital assets and related financial activities.

1. Significant Accounting Policies (continued)

b. Fund Accounting (continued)

iii. Replacement Reserve Fund

A Replacement Reserve Fund has been established for each building to pay for the replacement of worn-out capital equipment and other approved items. The Replacement Reserves are funded by an annual transfer from the Rental Housing Operating Fund. Capital expenditures made from the reserve are transferred to the Capital Fund.

c. Capital Assets

Land, buildings, equipment and vehicles are stated at cost. Amortization is charged upon the asset becoming available for productive use in the year of acquisition. Amortization over their estimated useful lives is provided on the straight-line basis at the following rates:

Asset	Rate
Prepaid leases	29-60 Years
Buildings	35 Years
Equipment	10 Years
Vehicles	5 Years

All transfers from the Replacement Reserve Fund and office equipment are stated at cost and amortization is taken on the declining balance basis at 20% per annum.

Capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

d. Debt Retirement

Payment of principal on long-term debt is funded by a transfer from the Rental Housing Operating Fund to the Capital Fund.

1. Significant Accounting Policies (continued)

e. Operating Agreements

i. Umbrella

Effective April 1, 2012, the Corporation signed a thirty-three month Interim Umbrella Operating Agreement (the "Umbrella Agreement") with BCHMC to consolidate three operating agreements to reduce administrative duplication, allow the Corporation more flexibility to determine priorities for the portfolio maintenance and management and create a stable and predictable funding stream for the Corporation. In addition, the parties agreed to work together to develop a long-range capital planning tool to enable the Corporation and BCHMC to determine the capital replacement needs of the portfolio for the next thirty years and to negotiate on the transfer of the land ownership of the BCHMC projects from the Provincial Rental Housing Corporation to the Corporation. The final agreement was signed on December 2, 2014 with an effective date of January 1, 2015, for a five year term, and was renewed in December 2019 for an additional five year term ending 2024.

Effective August 17, 2020, the Umbrella Agreement was modified to remove three properties, Portage Place, Campus View Court, and Royal Oak Square, whose mortgages had matured and which were originally part of the CMHC Agreement described below. The properties were moved to the CRHC No Operating Agreement portfolio and their corresponding Replacement Reserve balances were moved to the CRHC No Operating Agreement Replacement Reserve. No transfers were made between Portfolio Stabilization Reserves. As a result of this change, the Umbrella Agreement now contains 39 buildings and 1,142 units.

Except as modified by the Umbrella Agreement, all provisions of the original three operating agreements with CMHC, BCHMC and Homes BC will continue to apply to each project in the portfolio.

a) CMHC

Prior to April 1, 2012 the Corporation had entered into agreements with CMHC pursuant to Section 95 (formerly Section 56.1) of the National Housing Act whereby CMHC will provide mortgage assistance grants to the Corporation that reduce interest costs to not less than 2% on all mortgages payable. As of January 1, 2005 when a mortgage loan is renewed the mortgage assistance grants shall increase or decrease by the same dollar amount as the monthly loan payment of principal and interest changes.

b) BCHMC

Prior to April 1, 2012 the Corporation had entered into agreements with BCHMC whereby BCHMC, on behalf of the Provincial and Federal governments, will provide rent subsidy assistance equal to the BCHMC approved difference between tenant rent contributions and BCHMC defined economic rents.

1. Significant Accounting Policies (continued)

e. Operating Agreements (continued)

i. Umbrella (continued)

c) Homes BC Program

Prior to April 1, 2012 the Corporation had entered into agreements with BCHMC under the unilaterally funded Homes BC Program. The Provincial Government agrees to provide rent subsidy assistance for Rent Geared to Income (RGI) units (approximately 60% of total units) based on the difference between the tenant rent contribution and the approved economic rents. The Province also agrees to provide Repayable Assistance equal to the difference between the economic and the approved low-end of market rents for the remaining units.

ii. Independent Living BC II Program

The Corporation has entered into an agreement with BCHMC under the unilaterally funded Independent Living BC II Program. The Provincial Government agrees to provide subsidy assistance for shelter and defined hospitality costs based on the difference between seventy percent (70%) of the residents' net income and the approved operating budget.

iii. Regional Housing First Program

The Regional Housing First Program (RHFP) is a partnership between the Provincial and Federal governments and the CRD to provide one-time capital funding to affordable housing projects in the region. The Corporation has entered into a 40-year agreement with BCHMC on behalf of the RHFP whereby the Corporation provides shelter-rate and affordable rents to low and moderate income tenants. No other financial contribution is received to subsidize the ongoing operation of the buildings.

iv. Investment in Housing Innovation Program

The Corporation has entered into a 40-year agreement with BCHMC under the Investment in Housing Innovation (IHI) program. Capital funding was provided in the form of a forgivable loan to facilitate the construction of the Westview building. No other financial contribution is received to subsidize the ongoing operation of the building.

v. Community Housing Fund

The Corporation has entered into a 60-year agreement with BCHMC under the Community Housing Fund (CHF) program. Capital funding was provided in the form of a forgivable loan to facilitate the construction of the Twenty-Seven Eighty-Two building. An operating subsidy is provided as approved in the annual building operating budget.

vi. CRHC No Operating Agreement

This category includes buildings that receive no mortgage assistance or rent subsidy assistance. Tenant rent contributions are determined by the Corporation.

1. Significant Accounting Policies (continued)

f. Allocation of Investment Income

Funds available for investment are pooled and interest revenue is allocated to restricted funds at the rate of average prime plus 0.78% (2021: average prime minus 0.45%).

g. Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, bonds, bond funds, and equity instruments that are quoted in an active market are subsequently reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any other such financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

h. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include amortization of capital assets. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments. Included in cash and cash equivalents are investments in the Municipal Finance Authority of British Columbia (MFA) Short Term Bond Funds. See Schedule A for details of cash and cash equivalents restricted for replacement reserve.

At December 31, 2022, there is \$4,430,279 (2021: \$0) of cash and cash equivalents from mortgage proceeds restricted in use to finance capital improvements or construction of new properties.

3. Capital Assets

December 31, 2022	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid leases	134,951,377	11,658,345	123,293,032
Buildings	161,021,997	85,336,007	75,685,990
Equipment and other	41,784,069	32,998,852	8,785,217
	\$ 347,253,496	\$ 129,993,204	\$ 217,260,292

December 31, 2021	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid leases	134,951,377	9,393,601	125,557,776
Buildings	126,839,572	82,189,887	44,649,685
Equipment and other	39,677,202	31,049,794	8,627,408
	\$ 310,964,204	\$ 122,633,282	\$ 188,330,922

4. Short-term capital financing

Short term capital financing of \$21,157,445 (2021: \$2,151,025) is provided by BCHMC at a variable rate based on that charged to them by the Ministry of Finance plus an administrative spread. The short term debt is converted to a long term mortgage at the completion of each construction project. In 2022, \$2,151,025 short term capital financing was forgiven and recorded in Government contributions on the Statement of Operations.

5. Mortgages Payable

Pursuant to Section 5 of the National Housing Act, CMHC has undertaken to insure all mortgages payable by the Corporation except the mortgages on Village on the Green and Vergo. As additional security, the mortgagors hold chattel mortgages and assignments of rent.

Principal due within each of the next five years on these mortgages is as follows:		Assuming no mortgage renewal	Assuming mortgage renewal
	2023	\$ 6,808,782	\$ 6,189,329
	2024	13,986,779	6,030,185
	2025	8,361,554	5,591,576
	2026	6,135,450	5,375,345
	2027	\$ 4,053,990	\$ 5,220,773

5. Mortgages Payable (continued)

See Schedule D for details of interest rates, renewal dates, and maturity dates of mortgages. Mortgage renewal amounts are calculated based on existing rates and do not consider current prevailing market rates.

6. Capital Stock

Authorized capital: 2,000 shares with par value of \$1 each

Issued capital: 1 share of \$1 par value, owned by the Capital Regional District.

7. Invested in Capital Assets

Investment in capital assets is calculated as follows:

	December 31, 2022	December 31, 2021
Capital assets	\$ 217,260,292	\$ 188,330,922
Accounts receivable	2,347,762	1,106,873
Interfund due (to)/from rental housing operating fund	1,832,022	(164,553)
Restricted cash	4,430,279	-
Mortgages payable	(158,604,520)	(160,242,731)
Short-term capital financing	(21,157,445)	(2,151,025)
	\$ 46,108,390	\$ 26,879,486

8. Restricted Net Assets

Externally restricted net assets:

	December 31, 2022	December 31, 2021
Replacement reserve fund	\$ 8,168,045	\$ 6,900,657
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,949)
Portfolio stabilization reserve - umbrella agreement	3,410,606	2,914,641
Portfolio stabilization reserve - ILBC2 agreement	(107,961)	(62,637)
Portfolio stabilization reserve - RHFP agreement	265,650	38,150
Portfolio stabilization reserve - IHI	389,301	289,169
Portfolio stabilization reserve - CHF	5,477	-
	\$ 12,127,169	\$ 10,076,031

8. Restricted Net Assets (continued)

Internally restricted net assets:

	December 31, 2022	December 31, 2021
Portfolio stabilization reserve - no operating agreement	\$ 959,903	\$ 839,558
Guest suite surplus	39,701	35,330
Vehicle replacement reserve	101,204	96,476
Equipment replacement reserve	25,652	31,948
	\$ 1,126,460	\$ 1,003,312

Rental housing operating fund balance:

	December 31, 2022	December 31, 2021
Portfolio stabilization reserve - umbrella agreement	\$ 3,410,606	\$ 2,914,641
Portfolio stabilization reserve - ILBC2 agreement	(107,961)	(62,637)
Portfolio stabilization reserve - RHFP agreement	265,650	38,150
Portfolio stabilization reserve - IHI agreement	389,301	289,169
Portfolio stabilization reserve - CHF agreement	5,477	-
Portfolio stabilization reserve - no operating agreement	959,903	839,558
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,949)
	\$ 4,919,027	\$ 4,014,932

The Portfolio stabilization reserves are detailed in Schedule B.

9. Unrestricted Net Assets

Unrestricted net assets - corporation stabilization reserve:

	December 31, 2022	December 31, 2021
Operating net assets, ending balance	\$ 1,032,084	\$ 828,687
Less: Internally restricted net assets		
Guest suite surplus	(39,701)	(35,330)
Vehicle replacement reserve	(101,204)	(96,476)
Equipment replacement reserve	(25,652)	(31,948)
	\$ 865,527	\$ 664,933

10. Commitments and Contingencies

a. Related Party Transactions

The Corporation is a wholly owned subsidiary of the Capital Regional District (CRD). In 1997, the Corporation committed to a 60-year prepaid land lease at 625 Superior Street from the CRD at the agreed upon price of \$525,000 which was recognized as an acquisition in the Corporation Capital Fund. In 2017, the Corporation committed to a 60-year land lease at 3816 Carey Road from the CRD for one dollar, with the land use restricted to affordable housing. In 2021, the Corporation committed to a 60-year land lease at 2782 Spencer Road from the CRD for ten dollars, with the land use restricted to affordable housing.

In 2018, a RHFP project management office was created to support the delivery of the Program. During the year the Corporation contributed \$27,538 (2021: \$64,790) to the CRD, to cost share in administrative support and project management services.

On January 25, 2019, as part of the RHFP, the CRD purchased Millstream Ridge and entered into a 60-year prepaid lease in the amount of \$33,250,194 and a 35-year operator agreement with the Corporation. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

On November 2, 2020, as part of the RHFP, the CRD purchased West Park and entered into a 60-year prepaid lease in the amount of \$29,430,822 and a 25-year operator agreement with the Corporation. The CRD's Regional Housing Trust Fund provided a capital grant to the Corporation in the amount of \$660,000 for this project. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

On November 20, 2020, as part of the RHFP, the CRD purchased Spencer Close and entered into a 60-year prepaid lease in the amount of \$28,419,513 and a 35-year operator agreement with the Corporation. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

On March 22, 2021, as part of the RHFP, the CRD purchased Hockley House and entered into a 60-year prepaid lease in the amount of \$23,807,370 and a 35-year operator agreement with the Corporation. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

b. Sublease of Kings Place Housing Development

The Corporation entered into agreement with the Cridge Housing Society and the Provincial Rental Housing Corporation to sublease the land and improvements at 1070 Kings Road, Victoria for a term of thirty years commencing August 1, 1997. The Homes BC Program Operating Agreement was assigned to the Corporation from the Cridge Housing Society with the approval of the BCHMC. Current annual lease payments amount to \$244,137 and are based on the annual mortgage payments.

c. Building Envelope Remediation (BER)

Prior to the signing of the Umbrella Agreement in 2012, BCHMC provided funding for building envelope failure remediation for BCHMC and Homes BC buildings. BCHMC may require repayment of certain BER subsidies. Repayment would be funded by second mortgages. Funding for future BER for all buildings except No Operating Agreement buildings is subject to future negotiations with BCHMC. In 2014, BCHMC entered into an agreement with the Corporation to fund the Heathers BER with a 35-year forgivable mortgage of \$1,258,358.

10. Commitments and Contingencies (continued)

d. Government Contributions

The Corporation has received funding to develop affordable housing units through forgivable loans. If the developments funded are not used for their approved purpose by the grantor, the loan will become repayable.

11. Pension Liability

The Corporation and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula.

As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 58 contributors from the Corporation.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Corporation's employer contributions to the Plan for the fiscal year ended December 31, 2022 were \$258,786 (2021: \$266,976). The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

12. Financial Risks and Concentration of Risk

a. Credit risk

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable, cash, and cash equivalents, and investments. The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2022 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The balance of the allowance for doubtful accounts at December 31, 2022 is \$0 (2021: \$0). There have been no significant changes to the credit risk exposure from 2021.

b. Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice. The contractual maturities of mortgages payable are disclosed in Note 5. There have been no significant changes to the liquidity risk exposure from 2021.

c. Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

i. Foreign exchange risk:

The Corporation does not enter into foreign exchange transactions and therefore is not exposed to foreign exchange risk. There have been no significant changes to foreign exchange risk exposure from 2021.

12. Financial Risks and Concentration of Risk (continued)

- c. Market risk: (continued)
 - ii. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

The Corporation holds cash equivalents in MFA Short Term Bond Fund where changes in fair value have parallel changes in unrealized gains or losses until realized on disposal.

The Corporation's mortgage interest rates are fixed and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received for most properties from BCHMC and CMHC, which is based on mortgage principal and interest payments. At December 31, 2022, there are eight properties which do not receive subsidy assistance based on mortgage interest rates: Village on the Green, Vergo, Royal Oak Square, Millstream Ridge, Westview, Spencer Close, West Park, and Hockley House. These properties will be subject to interest rate risk upon renewal.

13. Subsequent Events

Subsequent to December 31, 2022, the short-term capital financing provided by BCHMC to construct the building at Twenty-Seven Eighty-Two was converted to 35-year mortgage financing at a fixed interest rate of 3.71% for a 10-year term with an initial principal balance of \$13,933,727.

On April 17, 2023, the Corporation entered into a 60-year, \$12,289,721 lease agreement and a 35-year operating agreement with the CRD for the Prosser Place property. The Corporation obtained short-term financing from BCHMC to fund the prepaid lease and the financing will be converted to a 35-year mortgage when it is placed with a lender.

14. Comparative Information

2021 comparative information on the statement of operations has been recast to reflect a change in the presentation of rental management fees adopted for the current year. Rental management fees, which reflect the allocation of administration and property management costs between the Corporate Operating Fund and the Rental Housing Fund, are presented in the same caption on the statement of operations. Total revenue and total expenses decreased by \$2,426,020 as a result of presenting internally generated rental management fees on a net rather than gross basis. There was no change to prior year annual surplus as a result of the new presentation.

Changes in Replacement Reserve Fund

For the Year Ended December 31, 2022

	Balance at December 31 2021	Transfer from Rental Operating Fund	Transfer from Portfolio Stabilization Reserve	Contribution from BCHMC	Interest	Transfer to Capital Fund	2022
<u>Umbrella Agreement</u>							
Oakwinds	\$ 855,044	\$ 103,578	\$ -	\$ -	\$ 41,606	\$ (115,100)	\$ 885,128
James Yates Gardens	138,589	16,573	-	-	6,941	(10,464)	151,639
Pinehurst	445,197	41,431	-	-	21,832	(40,705)	467,755
The Brambles	184,317	37,288	-	-	9,146	(32,623)	198,128
The Terraces	586,780	41,431	-	-	29,747	(825)	657,133
Michigan Square	352,794	-	-	-	16,567	(29,405)	339,956
Olympic View	146,047	124,294	-	-	5,143	(206,484)	69,000
Swanlea	140,781	29,002	-	-	7,046	(22,953)	153,876
Firgrove	100,107	66,290	-	-	4,926	(65,465)	105,858
Beechwood Park	49,244	99,435	-	-	3,521	(54,211)	97,989
Grey Oak Square	36,408	49,718	-	-	2,114	(36,249)	51,991
Willowdene	41,695	31,073	-	-	1,618	(48,430)	25,956
Rosewood	150,594	91,149	-	-	8,391	(49,866)	200,268
Gladstone	60,715	29,002	-	-	2,955	(29,832)	62,840
Camosun Place	69,564	16,573	-	-	3,477	(13,770)	75,844
Parkview	123,559	53,861	-	-	5,199	(88,786)	93,833
Carey Lane	(2,032)	45,574	-	-	37	(39,989)	3,590
Colquitz Green	(29,187)	41,431	-	-	-	(24,249)	(12,005)
Springtide	166,806	99,435	-	-	9,859	(30,648)	245,452
Greenlea	29,322	43,503	-	-	1,184	(53,830)	20,179
Arbutus View	(47,402)	47,646	-	-	-	(56,127)	(55,883)
Amberlea	268,787	91,149	-	-	13,295	(86,065)	287,166
Cloverhurst	51,032	20,716	-	-	2,714	(12,007)	62,455
Hamlet	(6,356)	20,716	-	-	-	(11,887)	2,473
Viewmont	164,202	74,576	-	-	8,829	(42,868)	204,739
Creekside	29,561	49,718	-	-	2,197	(19,154)	62,322
The Birches	138,305	116,008	-	-	8,007	(65,784)	196,536
Caledonia	17,592	-	-	-	862	-	18,454
The Heathers	192,174	53,861	-	-	9,074	(67,837)	187,272
Heron Cove	119,422	49,718	-	-	6,629	(17,996)	157,773
Castanea Place	401,136	122,222	-	-	20,425	(90,813)	452,970
Leblond Place	(27,206)	89,077	-	-	-	(69,898)	(8,027)
Rotary House	48,153	84,934	-	-	2,779	(67,791)	68,075
Cairns Park	(31,187)	12,429	-	-	-	(4,323)	(23,081)
Kings Place	96,032	72,505	-	-	5,262	(49,808)	123,991
Carillon Place	42,549	31,073	-	-	2,498	(14,207)	61,913
Brock Place	53,460	62,147	-	-	3,721	(17,169)	102,159
Harbour Lane	261,633	58,004	-	-	13,686	(22,670)	310,653
Tillicum Station	298,125	82,860	-	-	15,146	(60,927)	335,204
<u>ILBC2 Agreement</u>							
Parry Place	139,028	16,600	-	-	6,976	(9,928)	152,676
<u>No Operating Agreement</u>							
Village on the Green	(269,734)	78,719	-	-	-	(56,333)	(247,348)
Vergo	93,971	37,288	-	-	4,857	(26,991)	109,125
Portage Place	182,481	35,217	-	-	9,306	(20,312)	206,692
Campus View Court	146,126	24,859	-	-	7,684	(3,472)	175,197
Royal Oak Square	221,451	78,719	-	-	10,722	(83,989)	226,903
<u>RHFP Agreement</u>							
Millstream Ridge	261,965	114,048	-	-	14,980	(26,562)	364,431
Spencer Close	106,556	112,320	-	-	7,502	(19,221)	207,157
West Park	126,073	131,328	-	-	8,848	(22,352)	243,897
Hockley House	77,520	103,680	-	-	6,137	(8,216)	179,121
<u>IHI Agreement</u>							
Westview	98,864	63,072	-	-	4,962	(58,278)	108,620
	\$ 6,900,657	\$ 2,995,850	\$ -	\$ -	\$ 378,407	\$ (2,106,869)	\$ 8,168,045

Changes in Portfolio Stabilization Reserves

For the Year Ended December 31, 2022

	Balance at December 31, 2021	Reimburse BCHMC	Transfer (to) Replacement Reserve Fund (Schedule A)	Transfer from/(to) Rental Operating Fund (Schedule E)	Transfer (to) Capital Fund	Balance at December 31, 2022
<u>UOA</u>						
CMHC	\$ 6,598,500	\$ -	\$ -	\$ 1,726,780	\$ -	\$ 8,325,280
BCHMC	(3,504,410)	-	-	(1,108,126)	-	(4,612,536)
Homes BC	(179,449)	-	-	(122,689)	-	(302,138)
	2,914,641	-	-	495,965	-	3,410,606
<u>ILBC2</u>						
Parry Place	(62,637)	-	-	(45,324)	-	(107,961)
<u>RHFP</u>						
Millstream Ridge	(106,825)	-	-	(136,300)	-	(243,125)
Spencer Close	261,550	-	-	200,147	-	461,697
West Park	(89,507)	-	-	156,540	-	67,033
Hockley House	(27,068)	-	-	7,113	-	(19,955)
	38,150	-	-	227,500	-	265,650
<u>IHI</u>						
Westview	289,169	-	-	100,132	-	389,301
<u>CHF</u>						
Twenty-Seven Eighty-Two	-	-	-	5,477	-	5,477
<u>NOA</u>						
Portage Place	182,044	-	-	89,728	-	271,772
Campus View Court	132,805	-	-	79,012	-	211,817
Royal Oak Square	451,142	-	-	(30,103)	-	421,039
Village on the Green	696,275	-	-	95,812	-	792,087
Vergo	(622,708)	-	-	(114,104)	-	(736,812)
	839,558	-	-	120,345	-	959,903
	\$ 4,018,881	\$ -	\$ -	\$ 904,095	\$ -	\$ 4,922,976

Capital Assets

For the Year Ended December 31, 2022

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2022	2021
In Operation										
<u>Umbrella Agreement</u>										
Oakwinds	Feb/85	\$ -	\$ 830,075	\$ 2,835,407	\$ 1,566,114	\$ 115,100	\$ 5,346,696	\$ (4,951,965)	\$ 394,731	\$ 368,988
James Yates Gardens	Oct/84	103,200	-	387,934	303,786	10,464	805,384	(637,371)	168,013	172,445
Pinehurst	Feb/85	277,692	-	1,188,811	717,497	40,705	2,224,705	(1,799,706)	424,999	416,033
The Brambles	Jun/85	275,975	-	1,048,104	765,854	32,623	2,122,556	(1,729,601)	392,955	385,499
The Terraces	May/85	356,532	-	1,087,668	873,395	825	2,318,420	(1,871,374)	447,046	468,747
Michigan Square	Sep/85	784,763	-	1,874,991	1,496,625	29,405	4,185,784	(3,265,203)	920,581	921,454
Olympic View	Apr/86	900,000	-	3,288,908	2,301,802	206,484	6,697,194	(5,218,885)	1,478,309	1,390,593
Swanlea	Dec/85	230,215	-	746,556	497,299	22,953	1,497,023	(1,167,374)	329,649	328,683
Firgrove	Feb/86	480,000	-	1,763,183	1,177,528	65,465	3,486,176	(2,827,560)	658,616	629,622
Beechwood Park	Feb/86	888,000	-	2,317,623	3,073,578	54,211	6,333,412	(5,022,735)	1,310,677	1,355,359
Grey Oak Square	Apr/86	409,015	-	1,290,394	980,228	36,249	2,715,886	(2,127,561)	588,325	592,369
Willowdene	Sep/87	-	-	884,186	670,444	48,430	1,603,060	(1,479,555)	123,505	125,161
Rosewood	Oct/88	-	255,000	1,864,715	871,326	49,866	3,040,907	(2,747,123)	293,784	342,098
Gladstone	Jan/89	-	197,000	912,600	507,151	29,832	1,646,583	(1,450,936)	195,647	212,496
Camosun Place	Mar/89	-	108,000	489,700	233,467	13,770	844,937	(733,537)	111,400	124,352
Parkview	May/89	-	283,250	1,795,567	958,798	88,786	3,126,401	(2,736,415)	389,986	400,111
Carey Lane	Aug/89	-	283,250	1,443,751	964,786	39,989	2,731,776	(2,381,011)	350,765	398,441
Colquitz Green	Nov/89	-	160,250	1,504,000	823,860	24,249	2,512,359	(2,239,318)	273,041	331,558
Springtide	May/90	-	324,500	2,519,309	911,305	30,648	3,785,762	(3,344,841)	440,921	521,563
Greenlea	Feb/90	-	305,750	1,560,300	860,465	53,830	2,780,345	(2,385,252)	395,093	426,297
Arbutus View	Jul/90	-	370,250	1,592,750	1,055,047	56,127	3,074,174	(2,543,421)	530,753	587,563
Amberlea	May/90	-	447,501	2,578,479	922,345	86,065	4,034,390	(3,433,335)	601,055	648,445
Cloverhurst	May/90	-	197,000	651,500	264,126	12,007	1,124,633	(941,459)	183,174	205,888
Hamlet	Oct/90	-	152,000	803,000	405,333	11,887	1,372,220	(1,178,438)	193,782	225,759
Viewmont	Aug/91	-	402,140	2,378,046	837,534	42,868	3,660,588	(3,092,491)	568,097	638,667
Creekside	Apr/92	-	388,250	2,363,830	947,101	19,154	3,718,335	(3,117,472)	600,863	689,089
The Birches	Aug/92	-	675,000	3,684,874	953,586	65,784	5,379,244	(4,413,540)	965,704	1,062,809
The Heathers	Apr/93	-	436,279	1,974,683	441,105	67,837	2,919,904	(2,292,234)	627,670	646,903
Heron Cove	Oct/93	-	270,000	2,274,691	571,780	17,996	3,134,467	(2,542,090)	592,377	674,728
Castanea Place	Feb/95	-	1,277,000	4,841,879	1,201,297	90,813	7,410,989	(5,422,364)	1,988,625	2,130,877
Leblond Place	Sep/96	-	900,000	4,506,231	1,253,098	69,898	6,729,227	(4,790,626)	1,938,601	2,119,922
Rotary House	Nov/06	-	556,600	2,994,000	700,656	67,791	4,319,047	(2,900,099)	1,418,948	1,539,273
Cairns Park	Dec/96	-	240,000	415,314	227,683	4,323	887,320	(585,955)	301,365	330,976
Kings Place	N/A	-	-	-	713,190	49,808	762,998	(585,585)	177,413	165,733
Carillon Place	Jul/98	-	525,000	1,280,389	725,832	14,207	2,545,428	(1,688,304)	857,124	932,737

Capital Assets

For the Year Ended December 31, 2022

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2022	2021
Brock Place	Jan/00	-	840,000	3,465,836	1,104,145	17,169	5,427,150	(3,451,159)	1,975,991	2,137,126
Harbour Lane	Oct/01	-	825,000	3,607,266	355,529	22,670	4,810,465	(2,858,138)	1,952,327	2,066,136
Tillicum Station	Jul/02	-	948,750	4,300,764	589,935	60,927	5,900,376	(3,385,681)	2,514,695	2,629,270
Building Envelope Remediation										
Amberlea	2008	-	-	2,367,415	-	-	2,367,415	(2,106,838)	260,577	390,864
Cloverhurst	2008	-	-	1,105,204	-	-	1,105,204	(984,309)	120,895	181,341
The Birches	2006	-	-	1,635,610	-	-	1,635,610	(1,328,827)	306,783	383,479
Heron Cove	2007	-	-	1,756,374	-	-	1,756,374	(1,356,965)	399,409	479,290
Castanea Place	2007	-	-	2,531,350	-	-	2,531,350	(1,769,509)	761,841	870,676
Leblond Place	2009	-	-	3,337,941	-	-	3,337,941	(2,167,602)	1,170,339	1,316,632
The Heathers	2016	-	-	1,258,358	-	-	1,258,358	(731,780)	526,578	631,893
ILBC2 Agreement										
Parry Place	Jun/08	1,400,000	-	4,794,268	261,450	9,928	6,465,646	(2,218,206)	4,247,440	4,397,123
Millstream Ridge	Feb/19	-	35,428,849	-	68,219	26,562	35,523,630	(2,392,509)	33,131,121	33,707,770
Spencer Close	Nov/20	-	30,257,330	-	6,819	19,221	30,283,370	(1,054,694)	29,228,676	29,717,207
West Park	Nov/20	-	31,253,897	-	6,503	22,352	31,282,752	(1,088,942)	30,193,810	30,695,449
Hockley House	Apr/21	-	25,409,983	-	1,008	8,216	25,419,207	(741,456)	24,677,751	25,094,039
IHI Agreement										
Westview	May/20	-	-	14,937,177	8,125	58,278	15,003,580	(1,119,661)	13,883,919	14,264,803
CHF Agreement										
Twenty-Seven Eighty-Two	Nov/22	-	-	19,813,593	-	-	19,813,593	(94,184)	19,719,409	-
No Operating Agreement										
Village on the Green	May/84	910,171	-	2,002,921	1,652,345	56,333	4,621,770	(3,031,458)	1,590,312	1,696,971
Vergo	May/12	1,144,327	-	4,226,787	95,579	26,991	5,493,684	(1,403,073)	4,090,611	4,192,674
Portage Place	Aug/83	328,659	-	965,774	716,033	20,312	2,030,778	(1,554,213)	476,565	490,691
Campus View Court	Sep/83	341,224	-	688,113	613,004	3,472	1,645,813	(1,208,520)	437,293	457,401
Royal Oak Square	Mar/84	666,280	-	2,051,834	1,827,072	83,989	4,629,175	(3,525,554)	1,103,621	1,118,483
Buildings Under Construction		-	403,473	23,032,039	-	-	23,435,512	(201,738)	23,233,774	8,871,668
Office Equipment		-	-	-	535,869	-	535,869	(512,908)	22,961	28,698
Vehicles		-	-	-	60,544	-	60,544	(60,544)	-	-
		\$ 9,496,053	\$ 134,951,377	\$ 161,021,997	\$ 39,677,200	\$ 2,106,869	\$ 347,253,496	\$ (129,993,204)	\$ 217,260,292	\$ 188,330,922

Capital Fund - Mortgages Payable

For the Year Ended December 31, 2022

Rental Property	Interest Rate	Renewal Date	Maturity Date	2022	2021
<u>Umbrella Agreement</u>					
Willowdene	2.580%		Matured in 2022	\$ -	\$ 39,098
Rosewood	2.610%		November 1, 2023	110,325	227,731
Gladstone	2.610%		January 1, 2024	68,254	129,581
Camosun Place	1.860%		March 1, 2024	39,598	70,620
Parkview	1.690%		May 1, 2024	167,168	282,800
Carey Lane	1.690%		August 1, 2024	162,315	257,546
Colquitz Green	1.730%		November 1, 2024	180,894	272,943
Springtide	0.680%		May 1, 2025	379,730	535,048
Greenlea	0.690%		March 1, 2025	236,541	340,501
Arbutus View	0.680%		July 1, 2025	275,403	380,722
Amberlea	0.680%		May 1, 2025	405,659	571,582
Cloverhurst	0.680%		May 1, 2025	113,325	159,677
Hamlet	0.740%		October 1, 2025	150,088	202,318
Viewmont	1.120%		August 1, 2026	528,642	669,099
Creekside	2.600%		April 1, 2027	605,360	735,688
The Birches	2.550%	August 1, 2027	August 1, 2032	1,009,145	1,210,311
The Heathers	2.600%	April 1, 2028	April 1, 2033	623,759	731,439
Heron Cove	2.610%	October 1, 2028	October 1, 2033	709,654	820,894
Castanea Place	0.690%		February 1, 2030	2,111,169	2,397,554
Leblond Place - 1st mortgage	1.280%		September 1, 2031	1,742,867	1,929,944
Leblond Place - 2nd mortgage	2.150%	March 1, 2025	March 1, 2045	2,360,631	2,442,600
Rotary House	2.510%	March 1, 2028	March 1, 2033	984,988	1,158,386
Cairns Park	2.589%		December 1, 2031	265,205	291,059
Carillon Place	3.220%	June 1, 2024	July 1, 2033	838,339	903,863
Brock Place	2.840%	January 1, 2030	January 1, 2035	2,328,951	2,488,455
Harbour Lane	2.200%	October 1, 2026	October 1, 2036	2,368,747	2,513,781
Tillicum Station	3.265%	July 1, 2024	July 1, 2037	3,130,825	3,296,450
<u>ILBC2 Agreement</u>					
Parry Place	3.480%	May 1, 2024	May 1, 2043	3,251,814	3,359,042
<u>RHFP Agreement</u>					
Millstream Ridge	2.860%	February 1, 2029	March 1, 2054	33,159,724	33,809,779
Spencer Close	1.519%	January 1, 2031	February 1, 2056	29,180,152	29,854,616
West Park	1.519%	January 1, 2031	February 1, 2056	29,514,936	30,197,138
Hockley House	2.459%	June 1, 2031	July 1, 2056	24,865,357	25,343,415
<u>IHI Agreement</u>					
Westview	1.631%	September 1, 2030	September 1, 2055	7,116,837	7,280,114
<u>No Operating Agreement</u>					
Royal Oak Square	4.320%	July 1, 2027	July 1, 2057	4,477,146	-
Village on the Green	2.250%		October 1, 2039	1,702,077	1,784,422
Vergo	4.950%	September 1, 2027	September 1, 2042	3,438,895	3,554,515
				158,604,520	160,242,731
Principal Current Portion				(6,213,290)	(6,151,134)
Principal Renewal Portion				(595,492)	(3,747,610)
				\$ 151,795,738	\$ 150,343,987

Capital Region Housing Corporation

Schedule E

Operating Fund - Rental Operations

For the Year Ended December 31, 2022

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
Umbrella Agreement													
CMHC													
Oakwinds	50	\$ 670,682	\$ -	\$ -	\$ 1,608	\$ 672,290	\$ 266,562	\$ 103,578	\$ -	\$ -	\$ 370,140	\$ 302,150	\$ (302,150)
James Yates Gardens	8	77,762	-	-	-	77,762	47,753	16,573	-	-	64,326	13,436	(13,436)
Pinehurst	20	287,572	-	-	1,537	289,109	127,305	41,431	-	-	168,736	120,373	(120,373)
The Brambles	18	266,972	-	-	1,551	268,523	113,705	37,288	-	-	150,993	117,530	(117,530)
The Terraces	20	273,056	-	-	1,639	274,695	109,402	41,431	-	-	150,833	123,862	(123,862)
Michigan Square	6	78,486	-	-	-	78,486	78,879	-	-	-	78,879	(393)	393
Olympic View	60	824,092	-	-	2,878	826,970	381,125	124,294	-	-	505,419	321,551	(321,551)
Swanlea	14	207,323	-	-	897	208,220	100,930	29,002	-	-	129,932	78,288	(78,288)
Firgrove	32	422,093	-	-	1,660	423,753	129,787	66,290	-	-	196,077	227,676	(227,676)
Beechwood Park	48	627,392	-	-	6,842	634,234	264,422	99,435	-	-	363,857	270,377	(270,377)
Grey Oak Square	24	330,747	-	-	2,422	333,169	131,521	49,718	-	-	181,239	151,930	(151,930)
	300	4,066,177	-	-	21,034	4,087,211	1,751,391	609,040	-	-	2,360,431	1,726,780	(1,726,780)
BCHMC													
Willowdene	15	121,101	-	38,406	289	159,796	161,464	31,073	35,127	-	227,664	(67,868)	67,868
Rosewood	44	248,165	-	83,724	1,739	333,628	253,907	91,149	121,926	-	466,982	(133,354)	133,354
Gladstone	14	140,175	-	63,368	-	203,543	82,682	29,002	63,964	-	175,648	27,895	(27,895)
Camosun Place	8	94,600	-	33,432	-	128,032	46,497	16,573	32,068	-	95,138	32,894	(32,894)
Parkview	26	229,235	-	114,811	484	344,530	163,948	53,861	119,503	-	337,312	7,218	(7,218)
Carey Lane	22	197,551	-	83,364	1,402	282,317	126,843	45,574	98,835	-	271,252	11,065	(11,065)
Colquitz Green	20	211,794	-	76,241	1,307	289,342	129,062	41,431	96,028	-	266,521	22,821	(22,821)
Springtide	48	273,675	-	112,936	2,000	388,611	312,245	99,435	158,468	-	570,148	(181,537)	181,537
Greenlea	21	214,433	-	42,276	520	257,229	135,322	43,503	105,977	-	284,802	(27,573)	27,573

Capital Region Housing Corporation

Schedule E

Operating Fund - Rental Operations

For the Year Ended December 31, 2022

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
Arbutus View	23	214,049	-	49,212	134	263,395	115,228	47,646	107,576	-	270,450	(7,055)	7,055
Amberlea	44	310,897	-	112,933	1,638	425,468	296,305	91,149	169,288	-	556,742	(131,274)	131,274
Cloverhurst	10	70,628	-	41,111	-	111,739	57,092	20,716	47,292	-	125,100	(13,361)	13,361
Hamlet	10	122,822	-	49,634	-	172,456	76,219	20,716	53,547	-	150,482	21,974	(21,974)
Viewmont	36	201,922	-	161,613	1,530	365,065	228,456	74,576	147,215	-	450,247	(85,182)	85,182
Creekside	24	233,635	-	111,686	482	345,803	153,023	49,718	147,813	-	350,554	(4,751)	4,751
The Birches	56	308,148	-	163,537	2,166	473,851	263,319	116,008	229,534	-	608,861	(135,010)	135,010
Caledonia	-	-	-	47,850	-	47,850	9,924	-	(8,120)	-	1,804	46,046	(46,046)
The Heathers	26	149,403	-	108,372	1,472	259,247	160,131	53,861	125,324	-	339,316	(80,069)	80,069
Heron Cove	24	205,411	-	63,582	750	269,743	122,015	49,718	131,230	-	302,963	(33,220)	33,220
Castanea Place	59	386,068	-	182,734	1,245	570,047	330,070	122,222	302,000	-	754,292	(184,245)	184,245
Leblond Place	43	260,178	-	330,003	1,467	591,648	319,403	89,077	344,072	-	752,552	(160,904)	160,904
Rotary House	41	264,510	-	216,649	40	481,199	228,556	84,934	200,345	-	513,835	(32,636)	32,636
	614	4,458,400	-	2,287,474	18,665	6,764,539	3,771,711	1,271,942	2,829,012	-	7,872,665	(1,108,126)	1,108,126
Homes BC													
Cairns Park	6	53,245	-	23,702	-	76,947	45,240	12,429	33,161	-	90,830	(13,883)	13,883
Kings Place	35	383,539	-	157,515	1,350	542,404	490,147	72,505	-	-	562,652	(20,248)	20,248
Carillon Place	15	189,710	-	33,478	438	223,626	87,280	31,073	93,480	-	211,833	11,793	(11,793)
Brock Place	30	341,029	-	74,072	2,950	418,051	172,748	62,147	227,708	-	462,603	(44,552)	44,552
Harbour Lane	28	303,533	-	88,749	2,325	394,607	184,512	58,004	198,635	-	441,151	(46,544)	46,544
Tillicum Station	40	489,422	-	95,884	579	585,885	242,557	82,860	269,723	-	595,140	(9,255)	9,255
	154	1,760,478	-	473,400	7,642	2,241,520	1,222,484	319,018	822,707	-	2,364,209	(122,689)	122,689
	1,068	10,285,055	-	2,760,874	47,341	13,093,270	6,745,586	2,200,000	3,651,719	-	12,597,305	495,965	(495,965)

Operating Fund - Rental Operations

For the Year Ended December 31, 2022

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
ILBC2 Agreement													
Parry Place	21	343,502	302,636	-	10,580	656,718	463,846	16,600	221,596	-	702,042	(45,324)	45,324
RHFP Agreement													
Millstream Ridge	132	2,245,129	-	-	43,130	2,288,259	710,885	114,048	1,599,626	-	2,424,559	(136,300)	136,300
Spencer Close	130	2,028,688	-	-	40,040	2,068,728	635,270	112,320	1,120,991	-	1,868,581	200,147	(200,147)
West Park	152	2,070,095	-	-	46,794	2,116,889	695,169	131,328	1,133,852	-	1,960,349	156,540	(156,540)
Hockley House	120	1,740,440	-	-	31,816	1,772,256	574,050	103,680	1,087,413	-	1,765,143	7,113	(7,113)
	534	8,084,352	-	-	161,780	8,246,132	2,615,374	461,376	4,941,882	-	8,018,632	227,500	(227,500)
IHI Agreement													
Westview	73	831,096	-	-	19,779	850,875	407,491	63,072	280,180	-	750,743	100,132	(100,132)
CHF Agreement													
Twenty-Seven Eighty-Two	58	34,687	-	-	810	35,497	30,020	-	-	-	30,020	5,477	(5,477)
No Operating Agreement													
Portage Place	17	221,796	-	-	366	222,162	97,217	35,217	-	-	132,434	89,728	(89,728)
Campus View Court	12	171,272	-	-	1,440	172,712	68,841	24,859	-	-	93,700	79,012	(79,012)
Royal Oak Square	38	505,673	-	-	1,455	507,128	210,869	78,719	247,643	-	537,231	(30,103)	30,103
Village on the Green	38	482,404	-	-	4,101	486,505	190,667	78,719	121,307	-	390,693	95,812	(95,812)
Vergo	18	286,709	-	-	-	286,709	108,844	37,288	254,681	-	400,813	(114,104)	114,104
	123	1,667,854	-	-	7,362	1,675,216	676,438	254,802	623,631	-	1,554,871	120,345	(120,345)
	1,877	\$21,246,546	\$ 302,636	\$ 2,760,874	\$ 247,652	\$24,557,708	\$10,938,755	\$ 2,995,850	\$ 9,719,008	\$ -	\$ 23,653,613	\$ 904,095	\$ (904,095)