

Capital Region Housing Corporation

2018 Financial Statements

British Columbia, Canada

Fiscal year ended December 31, 2018



CRHC
Capital Region Housing Corporation

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INDEPENDENT AUDITORS' 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, 2018
- 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, 2018, 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 “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ 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.



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.

Auditors' 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 auditors' 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.

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 auditors' 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 auditors' 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
April 10, 2019



Making a difference...together

**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 generally accepted accounting principles or stated accounting principles, and 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 is responsible for ensuring that management fulfills its oversight for financial reporting and internal control.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. 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 auditors have full and free access to staff and management.

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

A handwritten signature in black ink, appearing to read 'Nelson Chan', is written over a horizontal line.

Nelson Chan, MBA, CPA, CMA
Chief Financial Officer
March 27, 2019

Statement of Financial Position

For the year ended December 31, 2018

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,574,400	\$ 5,040,888
Accounts receivable	259,684	64,506
Prepaid expenses	236,603	215,581
	7,070,687	5,320,975
Cash and cash equivalents restricted for replacement reserve (Note 2)	5,595,641	5,386,313
Investments (Note 3)	-	2,000,000
Restricted cash held by BCHMC	153,331	315,630
Capital assets (Note 4)	58,755,918	59,711,039
	\$ 71,575,577	\$ 72,733,957
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	1,099,502	876,914
Accrued mortgage interest	157,035	177,343
Due to Capital Regional District	167,535	60,401
Deferred revenue	633,327	594,865
Security deposits	523,508	521,605
Mortgages payable principal current portion	4,676,800	4,508,098
Mortgages payable principal renewal portion (Note 5)	4,744,234	8,897,030
	12,001,941	15,636,256
Mortgages payable (Note 5)	37,855,461	38,690,251
Capital stock (Note 6)	1	1
Net assets:		
Invested in capital assets (Note 7)	11,329,118	8,589,234
Externally restricted (Note 8)	9,445,663	8,822,802
Internally restricted (Note 8)	280,662	264,406
Unrestricted: Corporation stabilization reserve (Note 9)	923,923	935,378
	21,979,366	18,611,820
Accumulated remeasurement losses	(261,192)	(204,371)
	21,718,174	18,407,449
Commitments and contingencies (Note 10)		
Subsequent events (Note 13)	-	-
	\$ 71,575,577	\$ 72,733,957

See accompanying notes to the financial statements.

On behalf of the Board:

 Director

 Director

Statement of Operations

For the year ended December 31, 2018

	Operating Funds		Restricted Funds		Total 2018	Total 2017
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund		
Revenues:						
Tenant rent contributions	\$ -	\$ 11,618,298	\$ -	\$ -	\$ 11,618,298	\$ 11,297,879
BCHMC rent subsidy assistance	-	368,907	-	-	368,907	307,968
BCHMC umbrella operating agreement funding	-	3,420,552	-	-	3,420,552	3,461,185
Rental management fees	1,195,608	-	-	-	1,195,608	1,061,634
Rental management fees - other	88,724	-	-	-	88,724	88,303
Investment income	99,801	-	-	206,082	305,883	236,265
Guest suites, net	2,253	-	-	-	2,253	3,160
Miscellaneous	29,786	65,052	-	-	94,838	110,162
Project management fees	85,000	-	-	-	85,000	114,500
Provincial/Federal Capital Contributions	-	-	1,447,293	-	1,447,293	-
	1,501,172	15,472,809	1,447,293	206,082	18,627,356	16,681,056
Expenses:						
Administration and property management	1,513,852	-	-	-	1,513,852	1,391,560
Amortization - office equipment and vehicles	-	-	14,016	-	14,016	17,520
Amortization - buildings and equipment	-	-	5,407,874	-	5,407,874	5,454,546
Amortization - land leases	-	-	226,350	-	226,350	226,350
Property taxes	-	661,625	-	-	661,625	681,201
Insurance	-	429,805	-	-	429,805	405,370
Maintenance	-	764,328	-	-	764,328	755,864
Caretakers	-	1,075,206	-	-	1,075,206	1,050,483
Landscape	-	333,239	-	-	333,239	319,380
Electricity	-	284,294	-	-	284,294	276,914
Land and improvement leases	-	294,000	-	-	294,000	294,000
Water	-	823,875	-	-	823,875	762,659
Oil and gas	-	81,345	-	-	81,345	87,948
Garbage	-	229,265	-	-	229,265	237,319
Rental management fee	-	1,194,878	-	-	1,194,878	1,060,926
Audit and legal	-	30,621	-	-	30,621	20,900
Miscellaneous	-	41,078	-	-	41,078	42,918
Hospitality services (Parry Place)	-	267,023	-	-	267,023	267,023
Interest on mortgages payable	-	1,564,608	-	-	1,564,608	1,750,755
	1,513,852	8,075,190	5,648,240	-	15,237,282	15,103,636
Excess (deficiency) of revenues over expenses before:	(12,680)	7,397,619	(4,200,947)	206,082	3,390,074	1,577,420
Reimburse BCHMC subsidy overpayments	-	(22,528)	-	-	(22,528)	(8,804)
Excess (deficiency) of revenues over expenses	\$ (12,680)	\$ 7,375,091	\$ (4,200,947)	\$ 206,082	\$ 3,367,546	\$ 1,568,616

See accompanying notes to the financial statements.

Statement of Changes in Net Assets & Remeasurement Gains & Losses

For the year ended December 31, 2018

	Operating Funds		Restricted Funds			Total 2018	Total 2017
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund	Remeasurement Losses		
Net assets, beginning of year	\$ 1,091,599	\$ 3,544,674	\$ 8,589,234	\$ 5,386,313	\$ (204,371)	\$ 18,407,449	\$ 16,981,563
Excess (deficiency) of revenues over expenses	(12,680)	7,375,091	(4,200,947)	206,082	-	3,367,546	1,568,616
Interfund transfers:							
Mortgage principal repayments	-	(4,818,884)	4,818,884	-	-	-	-
Replacement reserve transfers	-	(2,058,500)	(25,172)	2,083,672	-	-	-
Replacement reserve expenditures	-	-	2,080,426	(2,080,426)	-	-	-
Capital assets acquired	-	(66,693)	66,693	-	-	-	-
Family self-sufficiency program transfers	(214)	214	-	-	-	-	-
	(214)	(6,943,863)	6,940,831	3,246	-	-	-
Unrealized losses on investments	-	-	-	-	(56,821)	(56,821)	(142,730)
Net assets, end of year	\$ 1,078,705	\$ 3,975,902	\$ 11,329,118	\$ 5,595,641	\$ (261,192)	\$ 21,718,174	\$ 18,407,449

See accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 3,367,546	\$ 1,568,616
Items not involving cash:		
Amortization	5,648,240	5,698,416
Changes in non-cash assets and liabilities:		
Increase in accounts receivable	(195,178)	(17,149)
Decrease (increase) in inventory and prepaid expenses	(21,022)	20,720
Increase in accounts payable and accrued liabilities	222,588	146,799
Decrease in accrued mortgage interest	(20,308)	(8,479)
Increase in deferred revenue	38,462	3,370
Increase (decrease) in security deposits	1,903	(11,679)
Increase (decrease) due to Capital Regional District	107,134	(69,683)
Net change in cash from operating activities	9,149,365	7,330,931
Investing activities:		
Decrease (increase) in restricted cash and cash equivalents	(103,850)	1,012,808
Decrease (increase) in investments	2,000,000	-
Net change in cash from investing activities	1,896,150	1,012,808
Capital activities:		
Acquisition of capital assets	(4,693,119)	(2,786,614)
Net change in cash from capital activities	(4,693,119)	(2,786,614)
Financing activities:		
Repayment of mortgages payable	(4,818,884)	(4,707,291)
	(4,818,884)	(4,707,291)
Net change in cash and cash equivalents	1,533,512	849,834
Cash and cash equivalents, beginning of year	5,040,888	4,191,054
Cash and cash equivalents, end of year	\$ 6,574,400	\$ 5,040,888

See accompanying notes to the financial statements.

Notes to Financial Statements

For the year ended December 31, 2018

General

The Capital Region Housing Corporation (the “Corporation”) is incorporated under the laws of British Columbia and its principal activity is the provision of rental accommodation. As a wholly owned subsidiary of the Capital Regional District, 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.

ii. Capital Fund

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

iii. Replacement Reserve Fund

In accordance with the agreements with BCHMC, 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.

1. Significant Accounting Policies (continued)

c. Capital Assets

Land, buildings, equipment and vehicles are stated at cost. Amortization over their estimated useful lives is provided on the straight-line basis at the following rates:

Asset	Rate
Prepaid land leases - BCHMC projects	60 Years
Prepaid land lease - CMHC project	41 Years
Prepaid land lease - Rotary House	29 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 provided on the declining balance basis at 20% per annum.

Amortization is charged upon the asset becoming available for productive use in the year of acquisition.

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.

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, with a total of 42 buildings (1,209 units), into one agreement with the intent 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 ending 2019.

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.

1. Significant Accounting Policies (continued)

e. Operating Agreements (continued)

i. Umbrella (continued)

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.

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. 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.

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 minus 0.25% (2017: average prime minus 0.41%).

1. Significant Accounting Policies (continued)**g. Financial Instruments**

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, bonds 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.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost.

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 items subject to such estimates and assumptions include amortization of capital assets. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and 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) Bond, Intermediate and Money Market Funds.

3. Investments

	Valuation		2018	2017
Chartered banks - Term Deposits	Cost	\$	-	\$ 2,000,000

4. Capital Assets

December 31, 2018	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid land leases	12,601,318	5,514,924	7,086,394
Buildings	108,955,407	75,190,677	33,764,730
Equipment and other	34,436,749	26,028,008	8,408,741
	\$ 165,489,527	\$ 106,733,609	\$ 58,755,918

December 31, 2017	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid land leases	12,601,318	5,288,574	7,312,744
Buildings	106,342,714	71,866,715	34,475,999
Equipment and other	32,356,323	23,930,080	8,426,243
	\$ 160,796,408	\$ 101,085,369	\$ 59,711,039

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 approximately as follows:	Assuming no mortgage renewal	Assuming mortgage renewal
2019	\$ 5,829,488	\$ 4,744,234
2020	12,563,688	4,389,115
2021	5,401,954	3,571,662
2022	5,218,717	3,488,207
2023	\$ 2,649,359	\$ 3,529,230

Interest on mortgages ranges from 1.02% to 5.26% with renewal dates April 1, 2019 to Oct 1, 2028 and maturity dates from March 1, 2019 to March 1, 2045.

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, 2018	December 31, 2017
Capital assets	\$ 58,755,918	\$ 59,711,039
Accounts receivable	155,737	420
Interfund due (to)/from rental housing operating fund	14,149	660,933
Restricted cash	153,331	315,630
Accounts payable and accrued liabilities	(473,522)	(3,409)
Mortgages payable	(47,276,495)	(52,095,379)
	\$ 11,329,118	\$ 8,589,234

8. Restricted Net Assets

Externally restricted net assets:

	December 31, 2018	December 31, 2017
Replacement reserve fund	\$ 5,595,641	\$ 5,386,313
CMHC/BCHMC/Homes BC operating agreements	(3,948)	(3,948)
Portfolio stabilization reserve - umbrella agreement	3,917,189	3,434,824
Portfolio stabilization reserve - ILBC2 agreement	(63,219)	(770)
Family self-sufficiency program	-	6,383
	\$ 9,445,663	\$ 8,822,802

8. Restricted Net Assets (continued)

Internally restricted net assets:

	December 31, 2018	December 31, 2017
Portfolio stabilization reserve - no operating agreement	\$ 125,880	\$ 114,568
Guest suite surplus	36,880	34,626
Vehicle replacement reserve	88,978	86,179
Equipment replacement reserve	28,924	29,033
	\$ 280,662	\$ 264,406

Rental housing operating fund balance:

	December 31, 2018	December 31, 2017
Portfolio stabilization reserve - umbrella agreement	\$ 3,917,189	\$ 3,434,824
Portfolio stabilization reserve - ILBC2 agreement	(63,219)	(770)
Portfolio stabilization reserve - no operating agreement	125,880	114,568
CMHC/BCHMC/Homes BC operating agreements	(3,948)	(3,948)
	\$ 3,975,902	\$ 3,544,674

9. Unrestricted Net Assets

Unrestricted net assets - corporation stabilization reserve:

	December 31, 2018	December 31, 2017
Operating net assets, ending balance	\$ 1,078,705	\$ 1,091,599
Less: Externally restricted net assets		
Family self-sufficiency program	-	(6,383)
Less: Internally restricted net assets		
Guest suite surplus	(36,880)	(34,626)
Vehicle replacement reserve	(88,978)	(86,179)
Equipment replacement reserve	(28,924)	(29,033)
	\$ 923,923	\$ 935,378

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 sixty 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 sixty year land lease at 3816 Carey Road from the CRD for one dollar, with the land use restricted to affordable housing. The 2017 fair market value at 3816 Carey Road is \$2,700,000.

In 2011, the CRD contributed the Mt. View Heights affordable family housing parcel at a fair market value of \$1,123,850 to the Corporation for the Vergo townhouse development.

On February 27, 2015 the CRD purchased 22 properties from the Provincial Rental Housing Corporation (PRHC) for \$9,301,740. These lands were originally leased to the Corporation for sixty year periods. The terms of the prepaid capital leases will continue to be in effect. This acquisition will enable the CRD to effectively own the majority of its assets and gain more control over the management, operation and long-term sustainability of its social housing properties.

The Regional Housing First Program (RHFP) is an innovative partnership between the Capital Regional District, the BC Government and the Government of Canada to eliminate chronic homelessness and generate new rental housing options in southern Vancouver Island and surrounding Gulf Islands. Using a mixed-market approach, the program will invest up to \$90 million towards projects that meet a variety of housing needs, creating mixed income communities with supported housing units within individual projects built throughout the region. The Capital Regional District, Capital Region Housing Corporation and the Capital Regional Hospital District will invest a combined \$30 million towards projects. In 2018, a RHFP project management office was created to support the delivery of the Program. During the year the Corporation contributed \$26,354 (2017: nil) to the CRD, to cost share in administrative support and project management services.

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 \$231,000 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, Village on the Green and Vergo, 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 up to a maximum of \$2M. Heathers BER capital budget is \$1,287,120; final costs at December 31, 2018 are \$1,258,358 (2017: \$1,256,339).

10. Commitments and Contingencies (continued)

d. Home BC Program Repayable Assistance

Under the interim Umbrella Agreement the Homes BC program repayable assistance no longer applies as of April 1, 2012. Any outstanding repayable assistance balances owed by the Corporation to BCHMC will be forgiven at a rate of 1/5 each year commencing January 1, 2015. Total repayable assistance at December 31, 2018 is \$474,967 (2017: \$949,933).

e. 3816 Carey Road Apartment Development

As at December 31, 2018 the Corporation was developing the Carey Road rental housing property.

Number of Units	Estimate to Complete	Expended Dec. 31, 2018	Expected Completion
73	\$ 13,856,081	\$ 2,770,090	February, 2020

11. Pension Liability

The Corporation and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment 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, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 30 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 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, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Corporation's employer contributions to the Plan for the fiscal year ended December 31, 2018 is \$151,602 (2017: \$146,528). The next valuation will be as at December 31, 2018, with results available later in 2019.

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, 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, 2018 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, 2018 is \$0 (2017: \$0). There have been no significant changes to the credit risk exposure from 2017.

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 2017.

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 2017.

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's investments, including bonds and term deposits, are disclosed in Note 3 and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal.

The Corporation's mortgage interest rates are fixed rate mortgages and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received from BCHMC and CMHC which is based on mortgage principal and interest payments. There has been no change to the interest rate risk exposure from 2017.

13. Subsequent Events

On January 25, 2019 as part of the Regional Housing First Program the CRD purchased Millstream Ridge (132-unit property) 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.

14. Comparative Information

Certain 2017 comparative figures have been reclassified to conform to the current year's presentation.

Changes in Replacement Reserve Fund (Unaudited)

For the year ended December 31, 2018

	Balance at December 31 2017	Transfer from Rental Operating Fund	Contribution from UOA Stabilization Reserve	Contribution from Capital Trust Account	Interest	Transfer to Capital Fund	2018
<u>Umbrella Agreement</u>							
Portage Place	\$ 249,177	\$ 13,260	\$ -	\$ -	\$ 7,094	\$ (91,265)	\$ 178,266
Campus View Court	22,658	9,360	-	-	596	(11,121)	21,493
Royal Oak Square	89,368	29,640	72,594	-	1,180	(183,602)	9,180
Oakwinds	746,725	39,000	-	-	24,616	(80,999)	729,342
James Yates Gardens	157,743	6,240	-	-	5,314	(10,591)	158,706
Pinehurst	408,081	15,600	-	-	13,656	(32,597)	404,740
The Brambles	143,959	14,040	-	-	4,770	(14,226)	148,543
The Terraces	484,991	15,600	-	-	16,327	(33,172)	483,746
Michigan Square	267,480	48,360	-	-	8,963	(20,687)	304,116
Olympic View	380,251	46,800	-	-	12,501	(43,205)	396,347
Swanlea	121,854	10,920	-	-	4,034	(12,217)	124,591
Firgrove	(32,665)	24,960	35,222	-	-	(19,517)	8,000
Beechwood Park	39,321	37,440	-	-	243	(64,704)	12,300
Grey Oak Square	27,018	18,720	20,120	-	284	(57,858)	8,284
Willowdene	6,404	11,700	-	-	61	(9,284)	8,881
Rosewood	40,510	34,320	-	-	1,059	(20,237)	55,652
Gladstone	43,713	10,920	-	-	1,258	(15,247)	40,644
Camosun Place	59,968	6,240	-	-	2,026	(3,685)	64,549
Parkview	111,590	20,280	-	-	3,390	(28,648)	106,612
Carey Lane	20,692	17,160	-	-	430	(16,732)	21,550
Colquitz Green	2,641	15,600	9,604	-	-	(19,845)	8,000
Springtide	18,657	37,440	-	-	192	(26,280)	30,009
Greenlea	9,443	16,380	20,101	-	19	(37,924)	8,019
Arbutus View	11,179	17,940	59,368	-	22	(80,487)	8,022
Amberlea	256,417	34,320	-	-	8,259	(38,931)	260,065
Cloverhurst	63,563	7,800	-	-	1,787	(24,597)	48,553
Hamlet	22,886	7,800	-	-	360	(25,099)	5,947
Viewmont	125,653	28,080	-	-	3,367	(58,088)	99,012
Creekside	24,424	18,720	-	-	375	(27,356)	16,163
The Birches	43,243	43,680	-	-	385	(64,404)	22,904
Caledonia	(1,864)	14,040	-	-	-	(9,333)	2,843
The Heathers	111,077	20,280	-	-	3,663	(11,985)	123,035
Heron Cove	177,275	18,720	-	-	4,724	(83,509)	117,210
Castanea Place	417,069	46,020	-	-	13,473	(61,073)	415,489
Leblond Place	261,620	33,540	-	-	7,908	(69,512)	233,556
Rotary House	25,611	31,980	-	-	349	(31,222)	26,718
Cairns Park	(21,425)	4,680	29,207	-	-	(4,462)	8,000
Kings Place	22,583	27,300	-	-	89	(40,064)	9,908
Carillon Place	(313,329)	11,700	382,990	-	-	(72,361)	9,000
Brock Place	4,219	23,400	427,774	-	-	(445,973)	9,420
Harbour Lane	160,197	21,840	-	-	5,278	(17,556)	169,759
Tillicum Station	188,329	31,200	-	-	6,405	(9,160)	216,774
<u>ILBC2 Agreement</u>							
Parry Place	34,728	16,600	-	25,172	29,877	(19,116)	87,261
<u>CRHC No Operating Agreement</u>							
Village on the Green	325,224	34,900	-	-	10,781	(31,856)	339,049
Vergo	28,055	7,000	-	-	967	(639)	35,383
	\$ 5,386,313	\$ 1,001,520	\$ 1,056,980	\$ 25,172	\$ 206,082	\$ (2,080,426)	\$ 5,595,641

Changes in Portfolio Stabilization Reserves (Unaudited)

For the year ended December 31, 2018

	Balance at December 31 2017	Reimburse BCHMC	Transfer (to) Replacement Reserve Fund	Transfer from/(to) Rental Operating Fund	Balance at December 31 2018
	(see note below)		(Schedule A)	(Schedule E)	
<u>Umbrella Agreement</u>					
CMHC	\$ 3,975,176	\$ -	\$ (127,936)	\$ 1,174,569	\$ 5,021,809
BCHMC	(1,012,222)	-	(89,073)	123,300	(977,995)
Homes BC	471,870	-	(839,971)	241,476	(126,625)
	3,434,824	-	(1,056,980)	1,539,345	3,917,189
<u>ILBC2 Agreement</u>					
Parry Place	(770)	(22,528)	-	(39,921)	(63,219)
	(770)	(22,528)	-	(39,921)	(63,219)
<u>CRHC No Operating Agreement</u>					
Village on the Green	421,386	-	-	78,718	500,104
Vergo	(306,818)	-	-	(67,406)	(374,224)
	114,568	-	-	11,312	125,880
	<u>\$ 3,548,622</u>	<u>\$ (22,528)</u>	<u>\$ (1,056,980)</u>	<u>\$ 1,510,736</u>	<u>\$ 3,979,850</u>

Note: effective April 1, 2012 the Interim Umbrella Operating Agreement required -

- 1) the external restricted balances for Homes BC and ILBC2 be restated as Portfolio Stabilization Reserves.
- 2) the Subsidy Surplus Reserve Fund be closed and the balances be transferred to the respective Portfolio Stabilization Reserves.

Capital Assets (Unaudited)

For the year ended December 31, 2018

	Completed	Land	Prepaid Land Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2018	2017
In Operation										
<u>Umbrella Agreement</u>										
Portage Place	Aug/83	\$ 328,659	\$ -	\$ 965,774	\$ 532,408	\$ 91,265	\$ 1,918,106	\$ (1,376,751)	\$ 541,355	\$ 503,262
Campus View Court	Sep/83	341,224	-	688,111	508,320	11,121	1,548,776	(1,093,752)	455,024	472,351
Royal Oak Square	Mar/84	666,280	-	2,051,834	1,308,220	183,602	4,209,936	(3,035,143)	1,174,793	1,176,942
Oakwinds	Feb/85	-	830,075	2,835,407	1,313,311	80,999	5,059,792	(4,499,470)	560,322	664,979
James Yates Gardens	Oct/84	103,200	-	387,934	224,319	10,591	726,044	(569,804)	156,240	169,993
Pinehurst	Feb/85	277,692	-	1,188,811	596,479	32,597	2,095,579	(1,606,184)	489,395	526,707
The Brambles	Jun/85	275,975	-	1,048,104	690,909	14,226	2,029,214	(1,588,195)	441,019	490,514
The Terraces	May/85	356,532	-	1,087,668	805,976	33,172	2,283,348	(1,718,294)	565,054	607,319
Michigan Square	Sep/85	784,763	-	3,154,222	2,459,928	20,687	6,419,600	(5,144,049)	1,275,551	1,445,151
Olympic View	Apr/86	900,000	-	3,288,908	1,713,797	43,205	5,945,910	(4,537,348)	1,408,562	1,539,482
Swanlea	Dec/85	230,215	-	746,556	424,830	12,217	1,413,818	(1,064,200)	349,618	383,250
Firgrove	Feb/86	480,000	-	1,763,183	1,089,159	19,517	3,351,859	(2,567,006)	784,853	866,738
Beechwood Park	Feb/86	888,000	-	2,317,623	2,822,431	64,704	6,092,758	(4,389,890)	1,702,868	1,874,990
Grey Oak Square	Apr/86	409,015	-	1,290,394	798,501	57,858	2,555,768	(1,863,012)	692,756	724,267
Willowdene	Sep/87	-	-	884,186	623,203	9,284	1,516,673	(1,272,716)	243,957	295,662
Rosewood	Oct/88	-	255,000	1,864,715	735,179	20,237	2,875,131	(2,355,010)	520,121	603,354
Gladstone	Jan/89	-	197,000	912,600	443,711	15,247	1,568,558	(1,260,710)	307,848	341,702
Camosun Place	Mar/89	-	108,000	489,700	191,900	3,685	793,285	(628,313)	164,972	187,332
Parkview	May/89	-	283,250	1,795,567	817,446	28,648	2,924,911	(2,350,545)	574,366	645,799
Carey Lane	Aug/89	-	283,250	1,443,751	791,619	16,732	2,535,352	(2,026,156)	509,196	578,765
Colquitz Green	Nov/89	-	160,250	1,504,000	673,924	19,845	2,358,019	(1,896,161)	461,858	529,374
Springtide	May/90	-	324,500	2,519,309	774,371	26,280	3,644,460	(2,882,930)	761,530	853,135
Greenlea	Feb/90	-	305,750	1,560,300	735,345	37,924	2,639,319	(2,037,702)	601,617	657,410
Arbutus View	Jul/90	-	370,250	1,592,750	706,551	80,487	2,750,038	(2,089,296)	660,742	681,034
Amberlea	May/90	-	447,501	2,578,479	667,586	38,931	3,732,497	(2,912,758)	819,739	898,566
Cloverhurst	May/90	-	197,000	651,500	191,666	24,597	1,064,763	(806,067)	258,696	267,304
Hamlet	Oct/90	-	152,000	803,000	310,669	25,099	1,290,768	(990,173)	300,595	322,074
Viewmont	Aug/91	-	402,140	2,378,046	667,867	58,088	3,506,141	(2,628,953)	877,188	940,521
Creekside	Apr/92	-	388,250	2,363,830	804,441	27,356	3,583,877	(2,658,922)	924,955	1,014,386
The Birches	Aug/92	-	675,000	3,684,874	740,791	64,404	5,165,069	(3,770,257)	1,394,812	1,492,266
Caledonia	Apr/93	-	403,473	1,452,777	429,637	9,333	2,295,220	(1,599,276)	695,944	758,279
The Heathers	Apr/93	-	436,279	1,974,683	365,584	11,985	2,788,531	(1,953,376)	835,155	906,900
Heron Cove	Oct/93	-	270,000	2,274,691	370,372	83,509	2,998,572	(2,132,052)	866,520	884,657
Castanea Place	Feb/95	-	1,277,000	4,841,879	819,659	61,073	6,999,611	(4,497,856)	2,501,755	2,653,757
Leblond Place	Sep/96	-	900,000	4,506,231	474,042	69,512	5,949,785	(3,688,274)	2,261,511	2,376,130
Rotary House	Nov/06	-	556,600	2,994,000	488,459	31,222	4,070,281	(2,172,073)	1,898,208	2,044,438
Cairns Park	Dec/96	-	240,000	415,314	155,831	4,462	815,607	(454,800)	360,807	389,816
Kings Place	N/A	-	-	-	567,397	40,064	607,461	(421,378)	186,083	192,539
Carillon Place	Jul/98	-	525,000	1,280,389	585,776	72,361	2,463,526	(1,272,748)	1,190,778	1,248,093
Brock Place	Jan/00	-	840,000	3,465,836	562,332	445,973	5,314,141	(2,651,355)	2,662,786	2,455,938
Harbour Lane	Oct/01	-	825,000	3,607,266	282,775	17,556	4,732,597	(2,311,614)	2,420,983	2,543,087
Tillicum Station	Jul/02	-	948,750	4,300,764	456,817	9,160	5,715,491	(2,683,327)	3,032,164	3,196,798
<u>Building Envelope Remediation</u>										
Amberlea	2008	-	-	2,367,415	-	-	2,367,415	(1,585,689)	781,726	912,011
Cloverhurst	2008	-	-	1,105,204	-	-	1,105,204	(742,524)	362,680	423,125
Birches	2006	-	-	1,635,610	-	-	1,635,610	(1,022,043)	613,567	690,263
Heron Cove	2007	-	-	1,756,374	-	-	1,756,374	(1,037,440)	718,934	798,812
Castanea Place	2007	-	-	2,531,350	-	-	2,531,350	(1,334,170)	1,197,180	1,306,017
Leblond Place	2009	-	-	3,337,941	-	-	3,337,941	(1,582,433)	1,755,508	1,901,798
Heathers	2016	-	-	1,258,358	-	-	1,258,358	(310,518)	947,840	1,051,137
<u>ILBC2 Agreement</u>										
Parry Place	Jun/08	1,400,000	-	4,794,268	202,020	19,116	6,415,404	(1,583,702)	4,831,702	4,982,904
<u>CRHC No Operating Agreement</u>										
Village on the Green	May/84	910,171	-	2,002,921	773,490	31,856	3,718,438	(2,653,135)	1,065,303	1,129,457
Vergo	May/12	1,144,327	-	4,226,787	60,862	639	5,432,615	(883,706)	4,548,909	4,666,838
Building Under Construction										
3816 Carey	-	-	-	2,770,090	-	-	2,770,090	-	2,770,090	343,539
Redevelopment Sites	-	-	-	214,123	-	-	214,123	-	214,123	30,000
Office Equipment										
Vehicles	-	-	-	-	535,869	-	535,869	(479,809)	56,060	70,077
					60,544		60,544	(60,544)		
		\$ 9,496,053	\$ 12,601,318	\$ 108,955,407	\$ 32,356,323	\$ 2,080,426	\$ 165,489,527	\$ (106,733,609)	\$ 58,755,918	\$ 59,711,039

Capital Fund: Mortgages Payable (Unaudited)

For the year ended December 31, 2018

Rental Property	Rate	Renewal Date	Maturity Date	2018	2017
<u>Umbrella Agreement</u>					
Portage Place		-	Matured in 2018	\$ -	\$ 56,084
Campus View Court		-	Matured in 2018	-	47,429
Royal Oak Square	2.710%	-	March 1, 2019	41,292	203,711
Oakwinds	1.390%	-	February 1, 2020	269,546	497,144
James Yates Gardens	1.120%	-	October 1, 2019	25,546	55,890
Pinehurst	1.390%	-	March 1, 2020	113,473	202,848
The Brambles	1.040%	-	June 1, 2020	120,378	199,596
The Terraces	1.040%	-	May 1, 2020	124,288	210,927
Michigan Square	1.020%	-	September 1, 2020	420,807	657,925
Olympic View	2.930%	-	April 1, 2021	601,916	847,634
Swanlea	3.430%	-	December 1, 2020	123,707	182,476
Firgrove	3.150%	-	February 1, 2021	300,475	432,441
Beechwood Park	3.150%	-	February 1, 2021	430,423	619,460
Grey Oak Square	3.150%	-	March 1, 2021	235,917	335,560
Willowdene	2.580%	-	September 1, 2022	188,190	234,198
Rosewood	2.610%	-	November 1, 2023	562,222	664,792
Gladstone	2.610%	-	January 1, 2024	304,302	357,831
Camosun Place	2.710%	April 1, 2019	March 1, 2024	160,078	188,086
Parkview	3.440%	September 1, 2019	May 1, 2024	614,485	716,030
Carey Lane	3.440%	September 1, 2019	August 1, 2024	530,570	614,011
Colquitz Green	3.510%	February 1, 2020	November 1, 2024	534,722	614,713
Springtide	3.130%	October 1, 2020	May 1, 2025	973,557	1,108,556
Greenlea	3.430%	June 1, 2020	March 1, 2025	635,454	725,169
Arbutus View	3.130%	October 1, 2020	July 1, 2025	677,702	769,053
Amberlea	3.130%	October 1, 2020	May 1, 2025	1,040,031	1,184,249
Cloverhurst	3.130%	October 1, 2020	May 1, 2025	290,544	330,833
Hamlet	3.430%	February 1, 2021	October 1, 2025	347,087	391,446
Viewmont	2.490%	October 1, 2021	August 1, 2026	1,061,329	1,185,503
Creekside	2.600%	April 1, 2027	April 1, 2027	1,107,020	1,221,797
The Birches	2.550%	August 1, 2027	August 1, 2032	1,784,389	1,959,672
Caledonia	2.500%	April 1, 2028	April 1, 2033	810,848	884,915
The Heathers	2.600%	April 1, 2028	April 1, 2033	1,038,240	1,132,823
Heron Cove	2.610%	October 1, 2028	October 1, 2033	1,137,815	1,232,335
Castanea Place	3.430%	June 1, 2020	February 1, 2030	3,183,877	3,414,337
Leblond Place - 1st mortgage	2.490%	October 1, 2021	September 1, 2031	2,438,251	2,598,906
Leblond Place - 2nd mortgage	2.150%	March 1, 2025	March 1, 2045	2,678,250	2,753,499
Rotary House	2.510%	March 1, 2028	March 1, 2033	1,653,215	1,806,567
Cairns Park	1.698%	December 1, 2021	December 1, 2031	369,204	394,383
Carillon Place	3.220%	June 1, 2024	July 1, 2033	1,088,332	1,145,997
Brock Place	5.260%	January 1, 2020	January 1, 2035	3,023,365	3,140,593
Harbour Lane	2.200%	October 1, 2026	October 1, 2036	2,930,319	3,063,199
Tillicum Station	3.270%	July 1, 2024	July 1, 2037	3,761,936	3,906,910
<u>ILBC2 Agreement</u>					
Parry Place	3.480%	May 1, 2024	May 1, 2043	3,659,396	3,752,801
<u>CRHC No Operating Agreement</u>					
Village on the Green	3.500%	October 1, 2021	October 1, 2039	1,992,046	2,056,123
Vergo	3.450%	August 1, 2022	August 1, 2042	3,891,951	3,996,927
				47,276,495	52,095,379
			Principal Current Portion	(4,676,800)	(4,508,098)
			Principal Renewal Portion	(4,744,234)	(8,897,030)
				\$ 37,855,461	\$ 38,690,251

Operating Fund: Rental Operations (Unaudited)

For the year ended December 31, 2018

Umbrella Agreement	Number of units	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
		Tenant rent contributions	BCHMC Rental / BER Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Total				
CMHC														
Portage Place	17	\$ 217,374	\$ -	\$ 10,884	\$ 469	\$ 228,727	\$ 86,992	\$ 13,260	\$ 56,683	\$ 156,935	\$ 71,792	\$ (71,792)		
Campus View Court	12	156,150	-	7,447	950	164,547	69,128	9,360	47,762	126,250	38,297	(38,297)		
Royal Oak Square	38	493,302	-	21,496	1,395	516,193	199,287	29,640	165,548	394,475	121,718	(121,718)		
Oakwinds	50	613,933	-	57,734	1,442	673,109	277,382	39,000	232,783	549,165	123,944	(123,944)		
James Yates Gardens	8	74,024	-	7,011	-	81,035	48,926	6,240	30,785	85,951	(4,916)	4,916		
Pinehurst	20	268,286	-	23,191	1,199	292,676	113,112	15,600	91,516	220,228	72,448	(72,448)		
The Brambles	18	225,418	-	18,000	1,183	244,601	106,426	14,040	80,844	201,310	43,291	(43,291)		
The Terraces	20	226,858	-	19,880	1,745	248,483	114,416	15,600	88,342	218,358	30,125	(30,125)		
Michigan Square	62	495,899	-	52,757	3,530	552,186	263,722	48,360	242,510	554,592	(2,406)	2,406		
Olympic View	60	772,161	-	70,610	3,423	846,194	271,994	46,800	266,545	585,339	260,855	(260,855)		
Swanlea	14	183,496	-	18,114	1,163	202,773	73,279	10,920	63,905	148,104	54,669	(54,669)		
Figrove	32	385,743	-	37,102	1,641	424,486	149,962	24,960	143,272	318,194	106,292	(106,292)		
Beechwood Park	48	596,714	-	53,052	5,056	654,822	246,169	37,440	205,234	488,843	165,979	(165,979)		
Grey Oak Square	24	315,731	-	27,979	1,679	345,389	125,724	18,720	108,464	252,908	92,481	(92,481)		
	423	5,025,089	-	425,257	24,875	5,475,221	2,146,519	329,940	1,824,193	4,300,652	1,174,569	(1,174,569)		
BCHMC														
Willowdene	15	98,364	-	57,504	166	156,034	125,821	11,700	53,689	191,210	(35,176)	35,176		
Rosewood	44	240,706	-	86,904	2,443	330,053	192,708	34,320	124,841	351,869	(21,816)	21,816		
Gladstone	14	105,787	-	65,091	-	170,878	60,834	10,920	65,543	137,297	33,581	(33,581)		
Camosun Place	8	65,615	-	34,097	-	99,712	39,200	6,240	32,733	78,173	21,539	(21,539)		
Parkview	26	187,804	-	119,730	656	308,190	107,046	20,280	124,422	251,748	56,442	(56,442)		
Carey Lane	22	178,663	-	87,645	233	266,541	87,252	17,160	103,116	207,528	59,013	(59,013)		
Colquitz Green	20	160,752	-	80,355	691	241,798	82,884	15,600	100,143	198,627	43,171	(43,171)		
Springtide	48	262,669	-	122,028	2,293	386,990	215,696	37,440	167,560	420,696	(33,706)	33,706		
Greenlea	21	141,041	-	49,320	833	191,194	96,807	16,380	113,021	226,208	(35,014)	35,014		
Arbutus View	23	153,089	-	55,608	65	208,762	91,499	17,940	113,972	223,411	(14,649)	14,649		

Revenues Expenditures and Interfund Transfers

Umbrella Agreement	Number of units	Tenant rent contributions	BCHMC Rental/BER Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Total	Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
Amberlea	44	251,486	-	122,645	4,117	378,248	195,748	34,320	179,001	409,069	(30,821)	30,821
Cloverhurst	10	68,925	-	43,824	-	112,749	43,261	7,800	50,006	101,067	11,682	(11,682)
Hamlet	10	93,957	-	53,091	-	147,048	48,253	7,800	57,004	113,057	33,991	(33,991)
Viewmont	36	166,094	-	166,536	1,980	334,610	156,040	28,080	152,138	336,258	(1,648)	1,648
Creekside	24	207,656	-	114,463	441	322,560	98,130	18,720	150,590	267,440	55,120	(55,120)
The Birches	56	287,037	-	170,112	2,961	460,110	193,130	43,680	236,110	472,920	(12,810)	12,810
Caledonia	18	127,991	-	82,210	207	210,408	84,599	14,040	99,669	198,308	12,100	(12,100)
The Heathers	26	145,797	66,693	110,982	1,230	324,702	173,433	20,280	127,933	321,646	3,056	(3,056)
Heron Cove	24	174,578	-	70,259	318	245,155	84,786	18,720	137,351	240,857	4,298	(4,298)
Castanea Place	59	363,252	-	223,902	1,657	588,811	245,223	46,020	343,168	634,411	(45,600)	45,600
Leblond Place	43	231,978	-	342,600	1,462	576,040	214,951	33,540	356,669	605,160	(29,120)	29,120
Rotary House	41	239,485	-	219,686	915	460,086	175,057	31,980	203,382	410,419	49,667	(49,667)
Homes BC	632	3,952,726	66,693	2,478,592	22,668	6,520,679	2,812,358	492,960	3,092,061	6,397,379	123,300	(123,300)
Cairns Park	6	55,513	-	22,315	-	77,828	28,406	4,680	31,658	64,744	13,084	(13,084)
Kings Place	35	362,650	-	152,041	1,726	516,417	409,333	27,300	-	436,633	79,784	(79,784)
Carillon Place	15	168,318	-	33,478	300	202,096	70,307	11,700	93,480	175,487	26,609	(26,609)
Brook Place	30	343,135	-	124,236	2,234	469,605	120,757	23,400	277,872	422,029	47,576	(47,576)
Harbour Lane	28	293,483	-	88,749	2,486	384,718	123,314	21,840	198,635	343,789	40,929	(40,929)
Tillicum Station	40	429,754	-	95,884	922	526,560	192,143	31,200	269,723	493,066	33,494	(33,494)
	154	1,652,853	-	516,703	7,668	2,177,224	944,260	120,120	871,368	1,935,748	241,476	(241,476)
ILBC2 Agreement	1,209	10,630,668	66,693	3,420,552	55,211	14,173,124	5,903,137	943,020	5,787,622	12,633,779	1,539,345	(1,539,345)
Parry Place	21	295,703	302,214	-	9,125	607,042	408,767	16,600	221,596	646,963	(39,921)	39,921
CRHC No Operating Agreement												

	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 / BER Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges			Total
Village on the Green	38	426,263	-	-	716	426,979	179,039	34,900	134,322	348,261	78,718	(78,718)
Vergo	18	265,664	-	-	-	265,664	86,118	7,000	239,952	333,070	(67,406)	67,406
	56	691,927	-	-	716	692,643	265,157	41,900	374,274	681,331	11,312	(11,312)
	1,286	\$ 11,618,298	\$ 368,907	\$ 3,420,552	\$ 65,052	\$ 15,472,809	\$ 6,577,061	\$ 1,001,520	\$ 6,383,492	\$ 13,962,073	\$ 1,510,736	\$ (1,510,736)



Capital Regional District

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