

Capital Region Housing Corporation

2019 Financial Statements

British Columbia, Canada
Fiscal year ended December 31, 2019



CRHC
Capital Region Housing Corporation

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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 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, 2019
- 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, 2019, 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 22, 2020



Capital Region Housing Corporation

MANAGEMENT REPORT

The Financial Statements contained in this report 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 Capital Region Housing Corporation Board of Directors are responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Hospitals and Housing Committee of the Board.

The external auditors, 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 auditors have full and free access to staff and management. The Independent Auditors' Report outlines the scope of the audit for the year ended December 31, 2019.

On behalf of Capital Region Housing Corporation,

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

Nelson Chan, MBA, CPA, CMA
Chief Financial Officer
April 22, 2020

Statement of Financial Position

For the year ended December 31, 2019

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,778,570	\$ 6,574,400
Accounts receivable	483,154	259,684
Due from Capital Regional Hospital District	80,726	-
Prepaid expenses	391,831	236,603
	7,734,281	7,070,687
Cash and cash equivalents restricted for replacement reserve (Note 2)	5,116,400	5,595,641
Restricted cash held by BCHMC	478,892	153,331
Capital assets (Note 3 and Schedule C)	99,934,869	58,755,918
	\$ 113,264,442	\$ 71,575,577
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	2,684,758	1,099,502
Accrued mortgage interest	229,824	157,035
Due to Capital Regional District	21,539	167,535
Deferred revenue	670,815	633,327
Security deposits	636,614	523,508
Construction loan (Note 9)	2,344,958	-
Mortgages payable principal current portion (Schedule D)	4,568,934	4,676,800
Mortgages payable principal renewal portion (Note 4 and Schedule D)	8,840,245	4,744,234
	19,997,687	12,001,941
Mortgages payable (Note 4 and Schedule D)	64,173,151	37,855,461
Capital stock (Note 5)	1	1
Net assets:		
Invested in capital assets (Note 6)	20,840,337	11,329,118
Externally restricted (Note 7)	7,504,594	9,445,663
Internally restricted (Note 7)	306,064	280,662
Unrestricted: Corporation stabilization reserve (Note 8)	658,224	923,923
	29,309,219	21,979,366
Accumulated remeasurement losses	(215,616)	(261,192)
	29,093,603	21,718,174
Commitments and contingencies (Note 9)		
Subsequent events (Note 12)		
	\$ 113,264,442	\$ 71,575,577

See accompanying notes to the financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

Statement of Operations

For the year ended December 31, 2019

	Operating Funds		Restricted Funds		Total 2019	Total 2018
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund		
Revenues:						
Tenant rent contributions	\$ -	\$13,352,665	\$ -	\$ -	\$ 13,352,665	\$ 11,618,298
BCHMC rent subsidy assistance	-	326,494	-	-	326,494	368,907
BCHMC umbrella operating agreement funding	-	3,348,038	-	-	3,348,038	3,420,552
Rental management fees	1,505,344	-	-	-	1,505,344	1,195,608
Rental management fees - other	89,328	-	-	-	89,328	88,724
Investment income	98,527	-	6,822	198,566	303,915	305,883
Guest suites, net	1,320	-	-	-	1,320	2,253
Miscellaneous	36,002	136,246	-	-	172,248	94,838
Project management fees	276,000	-	-	-	276,000	85,000
Provincial/Federal Contributions	-	28,660	5,792,604	-	5,821,264	1,447,293
	2,006,521	17,192,103	5,799,426	198,566	25,196,616	18,627,356
Expenses:						
Administration and property management	1,959,882	-	-	-	1,959,882	1,513,852
Amortization - office equipment and vehicles	-	-	11,213	-	11,213	14,016
Amortization - buildings and equipment	-	-	5,438,880	-	5,438,880	5,407,874
Amortization - prepaid leases	-	-	816,830	-	816,830	226,350
Property taxes	-	306,316	-	-	306,316	661,625
Insurance	-	632,846	-	-	632,846	429,805
Maintenance	-	1,031,410	-	-	1,031,410	764,328
Caretakers	-	1,246,120	-	-	1,246,120	1,075,206
Landscape	-	372,714	-	-	372,714	333,239
Electricity	-	323,562	-	-	323,562	284,294
Land and improvement leases	-	294,000	-	-	294,000	294,000
Water	-	977,216	-	-	977,216	823,875
Oil and gas	-	86,493	-	-	86,493	81,345
Garbage	-	265,337	-	-	265,337	229,265
Rental management fee	-	1,504,614	-	-	1,504,614	1,194,878
Audit and legal	-	28,211	-	-	28,211	30,621
Miscellaneous	-	66,139	-	-	66,139	41,078
Hospitality services (Parry Place)	-	290,262	-	-	290,262	267,023
Interest on mortgages payable	-	2,209,671	-	-	2,209,671	1,564,608
	1,959,882	9,634,911	6,266,923	-	17,861,716	15,237,282
Excess (deficiency) of revenues over expenses before:	46,639	7,557,192	(467,497)	198,566	7,334,900	3,390,074
Reimburse BCHMC subsidy overpayments	-	(5,047)	-	-	(5,047)	(22,528)
Excess (deficiency) of revenues over expenses	\$ 46,639	\$ 7,552,145	\$ (467,497)	\$ 198,566	\$ 7,329,853	\$ 3,367,546

See accompanying notes to the financial statements.

Statement of Changes in Net Assets & Remeasurement Gains & Losses

For the year ended December 31, 2019

	Operating Funds		Restricted Funds		Remeasurement Gains / (Losses)	Total 2019	Total 2018
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund			
Net assets, beginning of year	\$ 1,078,705	\$ 3,975,902	\$ 11,329,118	\$ 5,595,641	\$ (261,192)	\$ 21,718,174	\$ 18,407,449
Excess (deficiency) of revenues over expenses	46,639	7,552,145	(467,497)	198,566	-	7,329,853	3,367,546
Interfund transfers:							
Mortgage principal repayments	-	(5,193,349)	5,193,349	-	-	-	-
Replacement reserve transfers	-	(2,184,660)	-	2,184,660	-	-	-
Replacement reserve expenditures	-	-	2,862,467	(2,862,467)	-	-	-
Capital assets acquired	-	(2,000,000)	2,000,000	-	-	-	-
Rental housing fund transfers	(298,800)	375,900	(77,100)	-	-	-	-
	(298,800)	(9,002,109)	9,978,716	(677,807)	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	45,576	45,576	(56,821)
Net assets, end of year	\$ 826,544	\$ 2,525,938	\$ 20,840,337	\$ 5,116,400	\$ (215,616)	\$ 29,093,603	\$ 21,718,174

See accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 7,329,853	\$ 3,367,546
Items not involving cash:		
Amortization	6,266,923	5,648,240
Changes in non-cash assets and liabilities:		
(Increase) in accounts receivable	(223,470)	(195,178)
(Increase) in due from Capital Regional Hospital District	(80,726)	-
(Increase) in inventory and prepaid expenses	(155,228)	(21,022)
Increase in accounts payable and accrued liabilities	1,585,256	222,588
Increase (decrease) in accrued mortgage interest	72,789	(20,308)
Increase in deferred revenue	37,488	38,462
Increase in security deposits	113,106	1,903
Increase (decrease) due to Capital Regional District	(145,996)	107,134
Net change in cash from operating activities	14,799,995	9,149,365
Investing activities:		
Decrease (increase) in restricted cash and cash equivalents	199,256	(103,850)
Decrease (increase) in investments	-	2,000,000
Net change in cash from investing activities	199,256	1,896,150
Capital activities:		
Acquisition of capital assets	(47,445,874)	(4,693,119)
Net change in cash from capital activities	(47,445,874)	(4,693,119)
Financing activities:		
Repayment of mortgages payable	(5,193,349)	(4,818,884)
Proceeds from construction loan	2,344,958	-
Proceeds from long term debt	35,499,184	-
	32,650,793	(4,818,884)
Net change in cash and cash equivalents	204,170	1,533,512
Cash and cash equivalents, beginning of year	6,574,400	5,040,888
Cash and cash equivalents, end of year	\$ 6,778,570	\$ 6,574,400

See accompanying notes to the financial statements.

Capital Region Housing Corporation

Notes to Financial Statements

For the year ended December 31, 2019

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 ("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.

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 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 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, and was renewed in December 2019 for an additional five year term ending 2024.

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. Regional Housing First Program

The Regional Housing First Program (RHFP) is a partnership between the Provincial and Federal governments and the CRD to provide 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.

1. Significant Accounting Policies (continued)

e. Operating Agreements (continued)

iv. 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 0.45% (2018: average prime minus 0.25%).

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 a financial asset measured at fair value 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.

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) Short Term Bond and Money Market Funds. See Schedule A for details of cash and cash equivalents restricted for replacement reserve.

3. Capital Assets

December 31, 2019	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid leases	48,030,167	6,331,754	41,698,413
Buildings	118,109,960	78,387,702	39,722,258
Equipment and other	37,299,219	28,281,074	9,018,145
	\$ 212,935,399	\$ 113,000,530	\$ 99,934,869

December 31, 2018	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid 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

4. 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
	2020	\$ 13,409,179	\$ 5,000,637
	2021	6,271,639	4,203,547
	2022	6,110,656	4,138,261
	2023	3,564,148	4,197,976
	2024	\$ 10,203,752	\$ 4,026,052

Interest on mortgages ranges from 1.02% to 5.26% with renewal dates February 1, 2020 to February 1, 2029 and maturity dates from March 1, 2020 to March 1, 2054.

5. 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.

6. Invested in Capital Assets

Investment in capital assets is calculated as follows:

	December 31, 2019	December 31, 2018
Capital assets	\$ 99,934,869	\$ 58,755,918
Accounts receivable	202,254	155,737
Interfund due (to)/from rental housing operating fund	151,610	14,149
Restricted cash	478,892	153,331
Accounts payable and accrued liabilities	-	(473,522)
Mortgages payable	(77,582,330)	(47,276,495)
Construction loan	(2,344,958)	-
	\$ 20,840,337	\$ 11,329,118

7. Restricted Net Assets

Externally restricted net assets:

	December 31, 2019	December 31, 2018
Replacement reserve fund	\$ 5,116,400	\$ 5,595,641
CMHC/BCHMC/Homes BC operating agreements	(3,948)	(3,948)
Portfolio stabilization reserve - umbrella agreement	2,472,613	3,917,189
Portfolio stabilization reserve - ILBC2 agreement	(80,509)	(63,219)
Portfolio stabilization reserve - RHFP agreement	38	-
	\$ 7,504,594	\$ 9,445,663

7. Restricted Net Assets (continued)

Internally restricted net assets:

	December 31, 2019	December 31, 2018
Portfolio stabilization reserve - no operating agreement	\$ 137,744	\$ 125,880
Guest suite surplus	38,199	36,880
Vehicle replacement reserve	92,142	88,978
Equipment replacement reserve	37,979	28,924
	\$ 306,064	\$ 280,662

Rental housing operating fund balance:

	December 31, 2019	December 31, 2018
Portfolio stabilization reserve - umbrella agreement	\$ 2,472,613	\$ 3,917,189
Portfolio stabilization reserve - ILBC2 agreement	(80,509)	(63,219)
Portfolio stabilization reserve - RHFP agreement	38	-
Portfolio stabilization reserve - no operating agreement	137,744	125,880
CMHC/BCHMC/Homes BC operating agreements	(3,948)	(3,948)
	\$ 2,525,938	\$ 3,975,902

8. Unrestricted Net Assets

Unrestricted net assets - corporation stabilization reserve:

	December 31, 2019	December 31, 2018
Operating net assets, ending balance	\$ 826,544	\$ 1,078,705
Less: Externally restricted net assets		
Less: Internally restricted net assets		
Guest suite surplus	(38,199)	(36,880)
Vehicle replacement reserve	(92,142)	(88,978)
Equipment replacement reserve	(37,979)	(28,924)
	\$ 658,224	\$ 923,923

9. 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 2019 fair market value at 3816 Carey Road is \$14,478,000.

In 2018, a RHFP project management office was created to support the delivery of the Program. During the year the Corporation contributed \$62,275 (2018: \$26,354) 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.

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 of \$1,258,358.

d. Home BC Program Repayable Assistance

Under the 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, 2019 is \$0 (2018: \$474,967).

9. Commitments and Contingencies (continued)

e. 3816 Carey Road Apartment Development

As at December 31, 2019 the Corporation was developing the Carey Road rental housing property. Construction financing is provided by BCHMC and includes a repayable short-term loan with a balance of \$2,344,958 as at December 31, 2019, to be repaid by take-out mortgage upon building completion. Construction financing interest is accrued at a variable rate updated monthly by BCHMC.

Number of Units	Estimate to Complete	Expended Dec. 31, 2019	Expected Completion
73	\$ 5,322,256	\$ 11,293,915	May, 2020

10. 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, 2018, the Plan has about 205,000 active members and approximately 101,000 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 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, 2018 indicated a \$2,866 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, 2019 is \$183,804 (2018: \$151,602). The next valuation will be as at December 31, 2021, with results available in 2022.

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.

11. 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, 2019 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, 2019 is \$0 (2018: \$0). There have been no significant changes to the credit risk exposure from 2018.

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 2018.

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 2018.

11. 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'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 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, 2019, there are three properties which do not receive subsidy assistance based on mortgage interest rates: Village on the Green, Vergo, and Millstream Ridge. The Corporation entered into a fixed rate 10-year mortgage for Millstream Ridge in 2019 which will be subject to unsubsidized interest rate risk upon renewal.

12. Subsequent Events

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

Changes in Replacement Reserve Fund

For the year ended December 31, 2019

	Balance at December 31 2018	Transfer from Rental Operating Fund	Contribution from UOA Stabilization Reserve	Contribution from Capital Trust Account	Interest	Transfer to Capital Fund	2019
<u>Umbrella Agreement</u>							
Portage Place	\$ 178,266	\$ 13,260	\$ -	\$ -	\$ 5,844	\$ (74,668)	\$ 122,702
Campus View Court	21,493	9,360	150,000	-	2,822	(56,871)	126,804
Royal Oak Square	9,180	29,640	350,000	-	2,403	(252,449)	138,774
Oakwinds	729,342	39,000	-	-	29,107	(54,841)	742,608
James Yates Gardens	158,706	6,240	-	-	5,523	(51,035)	119,434
Pinehurst	404,740	15,600	-	-	16,123	(31,839)	404,624
The Brambles	148,543	14,040	-	-	5,488	(32,384)	135,687
The Terraces	483,746	15,600	-	-	19,601	(22,133)	496,814
Michigan Square	304,116	48,360	-	-	12,520	(4,394)	360,602
Olympic View	396,347	46,800	-	-	10,456	(288,414)	165,189
Swanlea	124,591	10,920	-	-	4,867	(14,464)	125,914
Firgrove	8,000	24,960	10,000	-	-	(38,399)	4,561
Beechwood Park	12,300	37,440	-	-	-	(101,118)	(51,378)
Grey Oak Square	8,284	18,720	40,000	-	-	(86,017)	(19,013)
Willowdene	8,881	11,700	-	-	2	(17,651)	2,932
Rosewood	55,652	34,320	-	-	1,650	(31,703)	59,919
Gladstone	40,644	10,920	-	-	1,239	(21,524)	31,279
Camosun Place	64,549	6,240	-	-	2,677	-	73,466
Parkview	106,612	20,280	-	-	3,778	(31,034)	99,636
Carey Lane	21,550	17,160	30,000	-	436	(52,059)	17,087
Colquitz Green	8,000	15,600	-	-	-	(44,449)	(20,849)
Springtide	30,009	37,440	20,000	-	287	(66,170)	21,566
Greenlea	8,019	16,380	10,000	-	231	(14,900)	19,730
Arbutus View	8,022	17,940	105,723	-	-	(137,194)	(5,509)
Amberlea	260,065	34,320	-	-	9,221	(75,389)	228,217
Cloverhurst	48,553	7,800	-	-	1,610	(19,451)	38,512
Hamlet	5,947	7,800	10,813	-	-	(25,045)	(485)
Viewmont	99,012	28,080	-	-	3,863	(11,701)	119,254
Creekside	16,163	18,720	17,000	-	63	(46,289)	5,657
The Birches	22,904	43,680	-	-	64	(42,723)	23,925
Caledonia	2,843	14,040	-	-	113	(194)	16,802
The Heathers	123,035	20,280	-	-	4,870	(11,194)	136,991
Heron Cove	117,210	18,720	-	-	3,810	(50,680)	89,060
Castanea Place	415,489	46,020	-	-	15,026	(106,274)	370,261
Leblond Place	233,556	33,540	246,628	-	2,441	(596,010)	(79,845)
Rotary House	26,718	31,980	10,000	-	43	(61,370)	7,371
Cairns Park	8,000	4,680	-	-	293	(1,846)	11,127
Kings Place	9,908	27,300	26,816	-	6	(46,354)	17,676
Carillon Place	9,000	11,700	30,000	-	350	(31,131)	19,919
Brock Place	9,420	23,400	-	-	-	(32,688)	132
Harbour Lane	169,759	21,840	-	-	6,852	(9,044)	189,407
Tillicum Station	216,774	31,200	-	-	8,246	(35,823)	220,397
<u>ILBC2 Agreement</u>							
Parry Place	87,261	16,600	-	-	3,501	(5,657)	101,705
<u>CRHC No Operating Agreement</u>							
Village on the Green	339,049	59,640	-	-	12,022	(98,292)	312,419
Vergo	35,383	14,040	-	-	1,118	(16,834)	33,707
<u>RHFP Agreement</u>							
Millstream Ridge	-	94,380	-	-	-	(12,768)	81,612
	\$ 5,595,641	\$ 1,127,680	\$ 1,056,980	\$ -	\$ 198,566	\$ (2,862,467)	\$ 5,116,400

Changes in Portfolio Stabilization Reserves

For the year ended December 31, 2019

	Balance at December 31, 2018	Reimburse BCHMC	Transfer (to) Replacement Reserve Fund	Transfer from/(to) Rental Operating Fund	Transfer (to) Capital Fund	Balance at December 31, 2019
	(see note below)		(Schedule A)	(Schedule E)		
<u>Umbrella Agreement</u>						
CMHC	\$ 5,021,809	\$ -	\$ (550,000)	\$ 1,506,859	\$ (2,000,000)	\$ 3,978,668
BCHMC	(977,995)	-	(450,164)	(36,615)	-	(1,464,774)
Homes BC	(126,625)	-	(56,816)	142,160	-	(41,281)
	3,917,189	-	(1,056,980)	1,612,404	(2,000,000)	2,472,613
<u>ILBC2 Agreement</u>						
Parry Place	(63,219)	(5,047)	-	(12,243)	-	(80,509)
<u>RHFP Agreement</u>						
Millstream Ridge	-	-	-	38	-	38
<u>CRHC No Operating Agreement</u>						
Village on the Green	500,104	-	-	83,630	-	583,734
Vergo	(374,224)	-	-	(71,766)	-	(445,990)
	125,880	-	-	11,864	-	137,744
	\$ 3,979,850	\$ (5,047)	\$ (1,056,980)	\$ 1,612,063	\$ (2,000,000)	\$ 2,529,886

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

For the year ended December 31, 2019

Capital Assets

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2019	2018
In Operation										
Umbrella Agreement										
Portage Place	Aug/83	\$ 328,659	\$ -	\$ 965,774	\$ 623,675	\$ 74,668	\$ 1,992,776	\$ (1,434,224)	\$ 558,552	\$ 541,355
Campus View Court	Sep/83	341,224	-	688,111	519,442	56,871	1,605,648	(1,127,885)	477,763	455,024
Royal Oak Square	Mar/84	666,280	-	2,051,834	1,491,823	252,449	4,462,386	(3,187,336)	1,275,050	1,174,793
Oakwinds	Feb/85	-	830,075	2,835,407	1,394,311	54,841	5,114,634	(4,679,214)	435,420	560,322
James Yates Gardens	Oct/84	103,200	-	387,934	234,909	51,035	777,078	(590,619)	186,459	156,240
Pinehurst	Feb/85	277,692	-	1,188,811	629,077	31,839	2,127,419	(1,675,272)	452,147	489,395
The Brambles	Jun/85	275,975	-	1,048,104	705,135	32,384	2,061,598	(1,651,637)	409,961	441,019
The Terraces	May/85	356,532	-	1,087,668	839,147	22,133	2,305,480	(1,789,286)	516,194	565,054
Michigan Square	Sep/85	784,763	-	3,154,222	2,480,614	4,394	6,423,993	(5,315,182)	1,108,811	1,275,551
Olympic View	Apr/86	900,000	-	3,288,908	1,757,001	288,414	6,234,323	(4,753,125)	1,481,198	1,408,562
Swanlea	Dec/85	230,215	-	746,556	437,046	14,464	1,428,281	(1,108,037)	320,244	349,618
Firgrove	Feb/86	480,000	-	1,763,183	1,108,675	38,399	3,390,257	(2,665,893)	724,374	784,853
Beechwood Park	Feb/86	888,000	-	2,317,823	2,887,134	101,118	6,193,875	(4,612,818)	1,581,057	1,702,868
Grey Oak Square	Apr/86	409,015	-	1,290,394	856,358	86,017	2,641,784	(1,959,084)	682,700	692,756
Willowdene	Sep/87	-	-	884,186	632,488	17,651	1,534,325	(1,330,090)	204,235	243,957
Rosewood	Oct/88	-	255,000	1,864,715	755,416	31,703	2,906,834	(2,455,632)	451,202	520,121
Gladstone	Jan/89	-	197,000	912,600	458,959	21,524	1,590,083	(1,310,167)	279,916	307,848
Camosun Place	Mar/89	-	108,000	489,700	195,585	-	793,285	(652,307)	140,978	164,972
Parkview	May/89	-	283,250	1,795,567	846,093	31,034	2,955,944	(2,448,021)	507,923	574,366
Carey Lane	Aug/89	-	283,250	1,443,751	808,351	52,059	2,587,411	(2,114,803)	472,608	509,196
Colquitz Green	Nov/89	-	160,250	1,504,000	693,771	44,449	2,402,470	(1,984,068)	418,402	461,858
Springtide	May/90	-	324,500	2,519,309	800,650	66,170	3,710,629	(3,005,949)	704,680	761,530
Greenlea	Feb/90	-	305,750	1,560,300	773,268	14,900	2,654,218	(2,125,591)	528,627	601,617
Arbutus View	Jul/90	-	370,250	1,592,750	787,062	137,194	2,887,256	(2,207,694)	679,562	660,742
Amberlea	May/90	-	447,501	2,578,479	706,517	75,389	3,807,886	(3,038,266)	769,620	819,739
Cloverhurst	May/90	-	197,000	651,500	216,263	19,451	1,084,214	(840,900)	243,314	258,696
Hamlet	Oct/90	-	152,000	803,000	335,767	25,045	1,315,812	(1,037,539)	278,273	300,595
Viewmont	Aug/91	-	402,140	2,378,046	725,957	11,701	3,517,844	(2,743,360)	774,484	877,188
Creekside	Apr/92	-	388,250	2,363,830	831,796	46,289	3,630,165	(2,776,411)	853,754	924,955
The Birches	Aug/92	-	675,000	3,684,874	805,195	42,723	5,207,792	(3,931,594)	1,276,198	1,394,812
Caledonia	Apr/93	-	403,473	1,452,777	438,969	194	2,295,413	(1,666,295)	629,118	695,944
The Heathers	Apr/93	-	436,279	1,974,683	377,570	11,194	2,799,726	(2,035,337)	764,389	835,155

Capital Assets (continued)

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2019	2018
Heron Cove	Oct/93	-	270,000	2,274,691	453,880	50,680	3,049,251	(2,237,400)	811,851	866,520
Castanea Place	Feb/95	-	1,277,000	4,841,879	880,734	106,274	7,105,887	(4,721,497)	2,384,390	2,501,755
Leblond Place	Sep/96	-	900,000	4,506,231	543,529	596,010	6,545,770	(3,983,530)	2,562,240	2,261,511
Rotary House	Nov/06	-	556,600	2,994,000	519,682	61,370	4,131,652	(2,354,100)	1,777,552	1,898,208
Cairns Park	Dec/96	-	240,000	415,314	160,294	1,846	817,454	(485,118)	332,336	360,807
Kings Place	N/A	-	-	-	607,459	46,354	653,813	(467,865)	185,948	186,083
Carillon Place	Jul/98	-	525,000	1,280,389	658,139	31,131	2,494,659	(1,391,781)	1,102,878	1,190,778
Brock Place	Jan/00	-	840,000	3,465,836	1,008,308	32,688	5,346,832	(2,871,797)	2,475,035	2,662,786
Harbour Lane	Oct/01	-	825,000	3,607,266	300,328	9,044	4,741,638	(2,448,514)	2,293,124	2,420,983
Tillicum Station	Jul/02	-	948,750	4,300,764	465,977	35,823	5,751,314	(2,857,265)	2,894,049	3,032,164
Building Envelope Remediation										
Amberlea	2008	-	-	2,367,415	-	-	2,367,415	(1,715,976)	651,439	781,726
Cloverhurst	2008	-	-	1,105,204	-	-	1,105,204	(802,970)	302,234	362,680
The Birches	2006	-	-	1,635,610	-	-	1,635,610	(1,098,739)	536,871	613,567
Heron Cove	2007	-	-	1,756,374	-	-	1,756,374	(1,117,321)	639,053	718,934
Castanea Place	2007	-	-	2,531,350	-	-	2,531,350	(1,443,005)	1,088,345	1,197,180
Leblond Place	2009	-	-	3,337,941	-	-	3,337,941	(1,728,725)	1,609,216	1,755,508
The Heathers	2016	-	-	1,258,358	-	-	1,258,358	(415,834)	842,524	947,840
ILBC2 Agreement										
Parry Place	Jun/08	1,400,000	-	4,794,268	221,136	5,657	6,421,061	(1,743,227)	4,677,834	4,831,702
RHFP Agreement										
Millstream Ridge	Feb/19	-	35,428,849	-	-	12,769	35,441,618	(593,035)	34,848,583	-
CRHC No Operating Agreement										
Village on the Green	May/84	910,171	-	2,002,921	805,349	98,290	3,816,731	(2,703,820)	1,112,911	1,065,303
Vergo	May/12	1,144,327	-	4,226,787	61,500	16,835	5,449,449	(1,013,820)	4,435,629	4,548,909
Building Under Construction										
3816 Carey		-	-	11,293,916	-	-	11,293,916	-	11,293,916	2,770,090
Redevelopment Sites		-	-	844,850	-	-	844,850	-	844,850	214,123
Office Equipment										
Vehicles		-	-	-	535,869	-	535,869	(491,021)	44,848	56,060
		-	-	-	60,544	-	60,544	(60,544)	-	-
Total		\$ 9,496,053	\$ 48,030,167	\$ 118,109,960	\$ 34,436,752	\$ 2,862,467	\$ 212,935,399	\$ (113,000,530)	\$ 99,934,869	\$ 58,755,918

Capital Fund: Mortgages Payable

For the year ended December 31, 2019

Rental Property	Interest Rate	Renewal Date	Maturity Date	2019	2018
<u>Umbrella Agreement</u>					
Royal Oak Square	-		Matured in 2019	\$ -	\$ 41,292
Oakwinds	1.390%		February 1, 2020	38,790	269,546
James Yates Gardens	-		Matured in 2019	-	25,546
Pinehurst	1.390%		March 1, 2020	22,859	113,473
The Brambles	1.040%		June 1, 2020	40,334	120,378
The Terraces	1.040%		May 1, 2020	36,746	124,288
Michigan Square	1.020%		September 1, 2020	181,257	420,807
Olympic View	2.930%		April 1, 2021	349,002	601,916
Swanlea	3.430%		December 1, 2020	62,817	123,707
Firgrove	3.150%		February 1, 2021	164,373	300,475
Beechwood Park	3.150%		February 1, 2021	235,461	430,423
Grey Oak Square	3.150%		March 1, 2021	133,150	235,917
Willowdene	2.580%		September 1, 2022	139,761	188,190
Rosewood	2.610%		November 1, 2023	453,603	562,222
Gladstone	2.610%		January 1, 2024	247,565	304,302
Camosun Place	1.860%		March 1, 2024	130,967	160,078
Parkview	1.690%		May 1, 2024	508,304	614,485
Carey Lane	1.690%		August 1, 2024	443,266	530,570
Colquitz Green	3.510%	February 1, 2020	November 1, 2024	451,699	534,722
Springtide	3.130%	October 1, 2020	May 1, 2025	834,317	973,557
Greenlea	3.430%	June 1, 2020	March 1, 2025	542,704	635,454
Arbutus View	3.130%	October 1, 2020	July 1, 2025	583,483	677,702
Amberlea	3.130%	October 1, 2020	May 1, 2025	891,285	1,040,031
Cloverhurst	3.130%	October 1, 2020	May 1, 2025	248,990	290,544
Hamlet	3.430%	February 1, 2021	October 1, 2025	301,086	347,087
Viewmont	2.490%	October 1, 2021	August 1, 2026	934,059	1,061,329
Creekside	2.600%	April 1, 2027	April 1, 2027	986,452	1,107,020
The Birches	2.550%	August 1, 2027	August 1, 2032	1,597,662	1,784,389
Caledonia	2.500%	April 1, 2028	April 1, 2033	732,716	810,848
The Heathers	2.600%	April 1, 2028	April 1, 2033	938,629	1,038,240
Heron Cove	2.610%	October 1, 2028	October 1, 2033	1,034,901	1,137,815
Castanea Place	3.430%	June 1, 2020	February 1, 2030	2,945,716	3,183,877
Leblond Place - 1st mortgage	2.490%	October 1, 2021	September 1, 2031	2,273,605	2,438,251
Leblond Place - 2nd mortgage	2.150%	March 1, 2025	March 1, 2045	2,601,372	2,678,250
Rotary House	2.510%	March 1, 2028	March 1, 2033	1,492,469	1,653,215
Cairns Park	1.698%	December 1, 2021	December 1, 2031	343,595	369,204
Carillon Place	3.220%	June 1, 2024	July 1, 2033	1,028,796	1,088,332
Brock Place	5.260%	January 1, 2020	January 1, 2035	2,899,890	3,023,365
Harbour Lane	2.200%	October 1, 2026	October 1, 2036	2,794,500	2,930,319
Tillicum Station	3.270%	July 1, 2024	July 1, 2037	3,611,010	3,761,936
Parry Place	3.480%	May 1, 2024	May 1, 2043	3,562,711	3,659,396
<u>RHFP Agreement</u>					
Millstream Ridge	2.860%	February 1, 2029	March 1, 2054	35,053,436	-
<u>CRHC No Operating Agreement</u>					
Village on the Green	3.500%	October 1, 2021	October 1, 2039	1,925,741	1,992,046
Vergo	3.450%	August 1, 2022	August 1, 2042	3,783,251	3,891,951
				<u>77,582,330</u>	<u>47,276,495</u>
Principal Current Portion				(4,568,934)	(4,676,800)
Principal Renewal Portion				(8,840,245)	(4,744,234)
				<u>\$ 64,173,151</u>	<u>\$ 37,855,461</u>

Operating Fund: Rental Operations

For the year ended December 31, 2019

Operating Fund: Rental Operations

Umbrella Agreement	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Revenues				Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
					Total	Other	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total				
CMHC															
Portage Place	17	\$ 226,633	\$ -	\$ -	\$ 372	\$ 227,005	\$ 93,647	\$ 13,260	\$ -	\$ -	\$ -	\$ 106,907	\$ 120,098	\$ (120,098)	(120,098)
Campus View Court	12	154,794	-	-	1,200	155,994	64,799	9,360	-	-	-	74,159	81,835	(81,835)	(81,835)
Royal Oak Square	38	504,838	-	3,583	1,307	509,728	191,169	29,640	41,385	-	-	262,194	247,534	(247,534)	(247,534)
Oakwinds	50	630,965	-	57,734	1,399	690,098	258,665	39,000	232,780	-	-	530,445	159,653	(159,653)	(159,653)
James Yates Gardens	8	75,184	-	5,259	-	80,443	39,302	6,240	25,654	-	-	71,196	9,247	(9,247)	(9,247)
Pinehurst	20	275,485	-	23,191	1,149	299,825	90,975	15,600	91,515	-	-	198,090	101,735	(101,735)	(101,735)
The Brambles	18	231,219	-	18,000	1,228	250,447	126,296	14,040	80,844	-	-	221,180	29,267	(29,267)	(29,267)
The Terraces	20	244,108	-	19,880	1,270	265,258	113,605	15,600	88,342	-	-	217,547	47,711	(47,711)	(47,711)
Michigan Square	62	451,535	-	52,757	3,598	507,890	244,473	48,360	242,511	-	-	535,344	(27,454)	27,454	27,454
Olympic View	60	793,529	-	70,610	3,012	867,151	290,095	46,800	266,543	-	-	603,438	263,713	(263,713)	(263,713)
Swanlea	14	190,965	-	18,114	1,207	210,286	67,779	10,920	63,902	-	-	142,601	67,685	(67,685)	(67,685)
Firgrove	32	405,443	-	37,102	1,514	444,059	152,468	24,960	143,270	-	-	320,698	123,361	(123,361)	(123,361)
Beechwood Park	48	614,278	-	53,052	4,797	672,127	234,096	37,440	205,231	-	-	476,767	195,360	(195,360)	(195,360)
Grey Oak Square	24	325,917	-	27,979	1,511	355,407	141,111	18,720	108,462	-	-	268,293	87,114	(87,114)	(87,114)
	423	5,124,893	-	387,261	23,564	5,535,718	2,108,480	329,940	1,590,439	-	-	4,028,859	1,506,859	(1,506,859)	(1,506,859)
BCHMC															
Willowdene	15	110,912	-	56,324	349	167,585	134,951	11,700	52,691	-	-	199,342	(31,757)	31,757	31,757
Rosewood	44	244,870	-	83,460	2,356	330,686	213,523	34,320	121,926	-	-	369,769	(39,083)	39,083	39,083
Gladstone	14	125,526	-	63,225	-	188,751	76,353	10,920	63,964	-	-	151,237	37,514	(37,514)	(37,514)
Camosun Place	8	60,627	-	33,598	-	94,225	37,605	6,240	32,234	-	-	76,079	18,146	(18,146)	(18,146)
Parkview	26	186,881	-	118,090	505	305,476	130,858	20,280	122,782	-	-	273,920	31,556	(31,556)	(31,556)
Carey Lane	22	185,527	-	86,218	697	272,442	96,916	17,160	101,689	-	-	215,765	56,677	(56,677)	(56,677)
Colquitz Green	20	170,064	-	80,355	529	250,948	105,782	15,600	100,143	-	-	221,525	29,423	(29,423)	(29,423)
Springtide	48	251,509	-	122,028	2,024	375,561	220,434	37,440	167,560	-	-	425,434	(49,873)	49,873	49,873

Operating Fund: Rental Operations (continued)

Umbrella Agreement	Number of units	Tenant rent contributions	Revenues			Expenditures and Interfund Transfers							Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
			BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total			
Greenlea	21	170,831	-	49,320	761	220,912	103,508	16,380	113,021	-	232,909	(11,997)	11,997	
Arbutus View	23	165,840	-	55,608	276	221,724	104,651	17,940	113,972	-	236,563	(14,839)	14,839	
Amerlea	44	264,153	-	122,645	2,179	388,977	203,516	34,320	179,001	-	416,837	(27,860)	27,860	
Cloverhurst	10	66,500	-	43,824	-	110,324	53,460	7,800	50,006	-	111,266	(942)	942	
Hamlet	10	109,776	-	53,091	-	162,867	52,311	7,800	57,004	-	117,115	45,752	(45,752)	
Viewmont	36	175,759	-	166,536	1,658	343,953	170,123	28,080	152,138	-	350,341	(6,388)	6,388	
Creekside	24	201,103	-	111,686	755	313,544	115,021	18,720	147,813	-	281,554	(31,990)	31,990	
The Birches	56	289,174	-	163,537	2,875	455,586	220,074	43,680	229,534	-	493,288	(37,702)	37,702	
Caledonia	18	99,436	-	79,981	146	179,563	93,986	14,040	97,439	-	205,465	(25,902)	25,902	
The Heathers	26	149,193	-	108,372	1,271	258,836	109,032	20,280	125,324	-	254,636	4,200	(4,200)	
Heron Cove	24	189,951	-	63,025	324	253,300	90,828	18,720	131,230	-	240,778	12,522	(12,522)	
Castanea Place	59	389,814	-	223,902	1,850	615,566	271,764	46,020	343,168	-	660,952	(45,386)	45,386	
Leblond Place	43	240,602	-	342,600	1,451	584,653	236,071	33,540	356,669	-	626,280	(41,627)	41,627	
Rotary House	41	235,830	-	216,649	300	452,779	191,493	31,980	200,345	-	423,818	28,961	(28,961)	
Homes BC	632	4,083,878	-	2,444,074	20,306	6,548,258	3,032,260	492,960	3,059,653	-	6,584,873	(36,615)	36,615	
Calms Park	6	55,248	-	22,315	-	77,563	30,695	4,680	31,658	-	67,033	10,530	(10,530)	
Kings Place	35	369,916	-	152,041	1,243	523,200	431,960	27,300	-	-	459,260	63,940	(63,940)	
Carillon Place	15	180,352	-	33,478	300	214,130	76,911	11,700	93,480	-	182,091	32,039	(32,039)	
Brock Place	30	340,484	-	124,236	1,904	466,624	133,779	23,400	277,872	-	435,051	31,573	(31,573)	
Harbour Lane	28	287,494	-	88,749	1,865	378,108	146,001	21,840	198,635	-	366,476	11,632	(11,632)	
Tillicum Station	40	433,588	-	95,884	996	530,468	237,099	31,200	269,723	-	538,022	(7,554)	7,554	
	154	1,667,082	-	516,703	6,308	2,190,093	1,056,445	120,120	871,368	-	2,047,933	142,160	(142,160)	
	1,209	10,875,853	-	3,348,038	50,178	14,274,069	6,197,185	943,020	5,521,460	-	12,661,665	1,612,404	(1,612,404)	

Operating Fund: Rental Operations (continued)

	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 Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total			
Umbrella Agreement														
ILBC2 Agreement														
Parry Place	21	315,500	326,494	-	11,310	653,304	427,351	16,600	221,596	-	665,547	(12,243)	12,243	
RHFP Agreement														
Millstream Ridge	132	1,449,123	-	-	69,340	1,518,463	514,553	94,380	1,285,392	(375,900)	1,518,425	38	(38)	
CRHC No Operating Agreement														
Village on the Green	38	448,469	-	-	34,078	482,547	204,854	59,640	134,423	-	398,917	83,630	(83,630)	
Vergo	18	263,720	-	-	-	263,720	81,297	14,040	240,149	-	335,486	(71,766)	71,766	
	56	712,189	-	-	34,078	746,267	286,151	73,680	374,572	-	734,403	11,864	(11,864)	
	1,418	\$13,352,665	\$3,348,038	\$164,906	\$17,192,103	\$7,425,240	\$1,127,680	\$7,403,020	\$(375,900)	\$15,580,040	\$1,612,063	\$	(1,612,063)	



| **Capital Regional District**

625 Fisgard Street
Victoria, BC V8W 2S6
250.360.3000

www.crd.bc.ca
Twitter: @crd_bc
Facebook: Capital Regional District