



Capital Region Housing Corporation 2023 Financial Statements

British Columbia, Canada
Fiscal year ended December 31, 2023

CRHC
Capital Region Housing Corporation

Capital Region Housing Corporation

Financial Statements

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of the Capital Region Housing Corporation

Opinion

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

- the statement of financial position as at December 31, 2023
- 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, 2023, and its results of operations, its changes in net assets and remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information. Our opinion is not modified in respect of this matter.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Other Information

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

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

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

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

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

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Victoria, Canada
May 8, 2024

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

The external 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 outline the scope of the audit for the year ended December 31, 2023.

On behalf of Capital Region Housing Corporation,



Nelson Chan, MBA, CPA, CMA
Chief Financial Officer
May 8, 2024

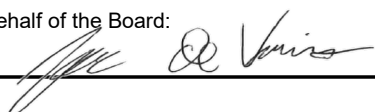
Statement of Financial Position

As at December 31, 2023

	2023	2022 Restated (Note 2)
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 14,903,603	\$ 10,350,289
Accounts receivable	6,031,343	2,887,911
Prepaid expenses	890,568	697,314
Investments	-	6,500,000
	21,825,514	20,435,514
Cash and cash equivalents restricted for replacement reserve (Note 3)	8,543,170	8,168,045
Capital assets (Note 4 and Schedule C)	262,404,263	217,766,993
	\$ 292,772,947	\$ 246,370,552
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	7,154,414	4,014,200
Accrued mortgage interest	381,220	336,975
Due to Capital Regional District	284,633	425,418
Deferred revenue	743,487	591,704
Security deposits	1,214,931	1,141,108
Short-term capital financing (Note 5)	27,454,719	21,157,445
Mortgages payable principal current portion (Schedule D)	6,193,511	6,213,290
Mortgages payable principal renewal portion (Note 6 and Schedule D)	8,233,676	595,492
	51,660,591	34,475,632
Mortgages payable (Note 6 and Schedule D)	161,065,397	151,795,738
Asset retirement obligations (Note 7)	9,521,426	8,279,238
Capital stock (Note 8)	1	1
Net assets:		
Invested in capital assets (Note 9)	56,115,448	38,335,853
Externally restricted (Note 10)	11,921,941	12,127,169
Internally restricted (Note 10)	1,106,227	1,126,460
Unrestricted: Corporation stabilization reserve (Note 11)	1,855,850	865,527
	70,999,466	52,455,009
Accumulated remeasurement losses	(473,934)	(635,066)
	70,525,532	51,819,943
Commitments and contingencies (Note 12)		
	\$ 292,772,947	\$ 246,370,552

See accompanying notes to the financial statements.

On behalf of the Board:



Director



Director

Statement of Operations

For the Year Ended December 31, 2023

	Operating Funds		Restricted Funds		Total 2023	Total 2022 Restated (Note 15 and Note 2)
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund		
Revenues:						
Tenant rent contributions	\$ -	\$23,002,135	\$ -	\$ -	\$ 23,002,135	\$ 21,246,546
BCHMC rent subsidy assistance	-	710,400	-	-	710,400	302,636
BCHMC umbrella operating agreement funding	-	2,674,751	-	-	2,674,751	2,760,874
Rental management fees - third parties	63,342	-	-	-	63,342	81,139
Investment income	536,151	-	166,247	479,433	1,181,831	529,936
Guest suites, net	1,801	-	-	-	1,801	4,371
Miscellaneous	36,887	278,078	-	-	314,965	275,547
Government contributions (Note 12d)	-	-	16,135,301	-	16,135,301	18,336,829
	638,181	26,665,364	16,301,548	479,433	44,084,526	43,537,878
Expenses:						
Administration and property management	3,275,841	-	-	-	3,275,841	2,869,235
Amortization	-	-	8,181,223	-	8,181,223	7,397,134
Accretion	-	-	377,533	-	377,533	361,069
Property taxes	-	33,806	-	-	33,806	4,500
Insurance	-	1,464,647	-	-	1,464,647	1,267,119
Maintenance	-	2,099,650	-	-	2,099,650	1,625,882
Caretakers	-	2,009,149	-	-	2,009,149	1,797,648
Landscape	-	422,936	-	-	422,936	402,165
Electricity	-	368,374	-	-	368,374	342,902
Land and improvement leases	-	307,137	-	-	307,137	299,474
Water	-	1,403,759	-	-	1,403,759	1,415,924
Oil and gas	-	240,871	-	-	240,871	246,876
Garbage	-	466,901	-	-	466,901	338,958
Rental management fee	(3,510,088)	3,510,088	-	-	-	-
Audit and legal	-	41,438	-	-	41,438	33,600
Miscellaneous	-	190,446	-	-	190,446	34,425
Hospitality services (Parry Place)	-	492,595	-	-	492,595	321,584
Interest on mortgages payable	-	4,163,763	-	-	4,163,763	3,573,882
	(234,247)	17,215,560	8,558,756	-	25,540,069	22,332,377
Excess of revenues over expenses	\$ 872,428	\$ 9,449,804	\$ 7,742,792	\$ 479,433	\$ 18,544,457	\$ 21,205,501

See accompanying notes to the financial statements.

Statement of Changes in Net Assets & Remeasurement Gains & Losses

For the Year Ended December 31, 2023

	Operating Funds		Restricted Funds			Total 2023	Total 2022 Restated (Note 2)
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund	Remeasurement Gains / (Losses)		
Net assets, beginning of year	\$ 1,032,084	\$ 4,919,027	\$ 38,335,853	\$ 8,168,045	\$ (635,066)	\$ 51,819,943	\$ 31,131,957
Excess of revenues over expenses	872,428	9,449,804	7,742,792	479,433	-	18,544,457	21,205,501
Interfund transfers:							
Mortgage principal repayments	-	(6,482,151)	6,482,151	-	-	-	-
Replacement reserve transfers	-	(3,083,416)	-	3,083,416	-	-	-
Replacement reserve expenditures	-	-	3,187,724	(3,187,724)	-	-	-
Capital assets acquired	(152,439)	(600,000)	752,439	-	-	-	-
Fund transfers	183,199	202,312	(385,511)	-	-	-	-
	30,760	(9,963,255)	10,036,803	(104,308)	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	161,132	161,132	(517,515)
Net assets, end of year	\$ 1,935,272	\$ 4,405,576	\$ 56,115,448	\$ 8,543,170	\$ (473,934)	\$ 70,525,532	\$ 51,819,943

See accompanying notes to the financial statements.

Statement of Cash Flows

For the Year Ended December 31, 2023

	2023	2022 Restated (Note 2)
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 18,544,457	\$ 21,205,501
Items not involving cash:		
Amortization	8,181,223	7,397,134
Accretion	377,533	361,069
Changes in non-cash assets and liabilities:		
(Increase) in accounts receivable	(3,143,432)	(1,513,691)
(Increase) in inventory and prepaid expenses	(193,254)	(69,132)
Increase in accounts payable and accrued liabilities	3,140,214	1,951,267
Increase in accrued mortgage interest	44,245	10,492
Increase (decrease) in deferred revenue	151,783	(110,046)
Increase in security deposits	73,823	106,925
(Decrease) increase due to Capital Regional District	(140,785)	344,670
Net change in cash from operating activities	27,035,807	29,684,189
Investing activities:		
(Increase) in restricted cash and cash equivalents	(213,994)	(1,784,897)
Increase (decrease) in investments	6,500,000	(6,500,000)
Net change in cash from investing activities	6,286,006	(8,284,897)
Capital activities:		
Acquisition of capital assets	(51,953,838)	(36,289,290)
Net change in cash from capital activities	(51,953,838)	(36,289,290)
Financing activities:		
Repayment of mortgages payable	(6,472,741)	(6,138,211)
Proceeds from long term debt	23,360,805	4,500,000
Repayment of short term debt	(13,933,727)	(2,151,025)
Proceeds from short term debt	20,231,002	21,157,445
	23,185,339	17,368,209
Net change in cash and cash equivalents	4,553,314	2,478,211
Cash and cash equivalents, beginning of year	10,350,289	7,872,078
Cash and cash equivalents, end of year	\$ 14,903,603	\$ 10,350,289

See accompanying notes to the financial statements.

Capital Region Housing Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2023

General

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

1. Significant Accounting Policies

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

a. Revenue Recognition

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

b. Fund Accounting

i. Operating Funds

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

ii. Capital Fund

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

1. Significant Accounting Policies (continued)

b. Fund Accounting (continued)

iii. Replacement Reserve Fund

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

c. Asset Retirement Obligations

An asset retirement obligation (ARO) is a legal obligation to incur costs to retire a tangible capital asset in a future period. AROs are measured at the present value of expected future cash flows including an estimate for inflation. Future cash flows are based on the best information available at the financial reporting date. Accretion expense is recorded annually to reflect the cost associated with an increase in the present value of the ARO over time. The carrying amount of the liability is reassessed annually and updated as new information becomes available. Changes in estimates are recorded prospectively and the liability is derecognized when retirement activities are completed.

The asset retirement cost at initial recognition is capitalized along with the related tangible capital asset and amortized in accordance with the Corporation's tangible capital asset policy Note 1 d).

d. Capital Assets

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

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

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

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

1. Significant Accounting Policies (continued)

e. Debt Retirement

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

f. Operating Agreements

i. Umbrella

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

Effective August 17, 2020, the Umbrella Agreement was modified to remove three properties, Portage Place, Campus View Court, and Royal Oak Square, whose mortgages had matured and which were originally part of the CMHC Agreement described below. The properties were moved to the CRHC No Operating Agreement portfolio and their corresponding Replacement Reserve balances were moved to the CRHC No Operating Agreement Replacement Reserve. No transfers were made between Portfolio Stabilization Reserves. As a result of this change, the Umbrella Agreement now contains 38 buildings and 1,071 units.

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

a) CMHC

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

b) BCHMC

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

1. Significant Accounting Policies (continued)

f. Operating Agreements (continued)

i. Umbrella (continued)

c) Homes BC Program

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

ii. Independent Living BC II Program

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

iii. Regional Housing First Program

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

iv. Investment in Housing Innovation Program

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

v. Community Housing Fund

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

vi. CRHC No Operating Agreement

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

1. Significant Accounting Policies (continued)

g. 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 1.31% (2022: average prime plus 0.78%).

h. Financial Instruments

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

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

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

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

i. Use of Estimates

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

2. Adoption of New Accounting Standard

On January 1, 2023, the Corporation adopted Public Sector Accounting Standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The standard was adopted on a modified retroactive basis and prior year balances have been restated to conform to new reporting requirements. The accounting policy is disclosed in Note 1 c) and ARO balances disclosed in Note 7.

2. Adoption of New Accounting Standard (continued)

In accordance with the provisions of the new standard, the Corporation reflected the following adjustments for the year ended December 31, 2022:

	Previously Stated	Adjustment	2022 Restated
Statement of Financial Position			
Assets			
Capital assets	\$ 217,260,292	\$ 506,701	\$ 217,766,993
Liabilities and Net Assets			
Asset retirement obligations	-	8,279,238	8,279,238
Net assets: Invested in capital assets	46,108,390	(7,772,537)	38,335,853
Statement of Operations			
Amortization	7,359,920	37,214	7,397,134
Accretion	-	361,069	361,069
Excess of revenues over expenses	21,603,784	(398,283)	21,205,501
Statement of Changes in Net Assets & Remeasurement Gains & Losses			
Net assets, beginning of year	38,506,211	(7,374,254)	31,131,957
Excess of revenues over expenses	21,603,784	(398,283)	21,205,501
Net assets, end of year	59,592,480	(7,772,537)	51,819,943
Statement of Cash Flows			
Excess of revenues over expenses	21,603,784	(398,283)	21,205,501
Items not involving cash: Amortization	7,359,920	37,214	7,397,134
Items not involving cash: Accretion	-	361,069	361,069
Tangible Capital Assets (Note 4)			
Cost - Buildings	161,021,997	1,787,351	162,809,348
Accumulated amortization - Buildings	85,336,007	1,280,650	86,616,657
Net book value - Buildings	75,685,990	506,701	76,192,691
Investment in Capital Assets (Note 9)			
Capital assets	217,260,292	506,701	217,766,993
Asset retirement obligation adoption adjustment	-	(8,279,238)	(8,279,238)

3. Cash and Cash Equivalents

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

At December 31, 2023, there is \$nil (2022: \$4,430,279) of cash and cash equivalents from mortgage proceeds restricted in use to finance capital improvements or construction of new properties.

4. Capital Assets

December 31, 2023	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid leases	148,181,402	14,089,236	134,092,166
Buildings	199,057,658	90,278,565	108,779,093
Equipment and other	45,124,225	35,087,274	10,036,951
	\$ 401,859,338	\$ 139,455,075	\$ 262,404,263

December 31, 2022 - Restated (Note 2)	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Prepaid leases	134,951,377	11,658,345	123,293,032
Buildings	162,809,348	86,616,657	76,192,691
Equipment and other	41,784,069	32,998,852	8,785,217
	\$ 349,040,847	\$ 131,273,854	\$ 217,766,993

5. Short-term capital financing

Short term capital financing of \$27,454,719 (2022: \$21,157,445) is provided by BCHMC at a variable rate based on that charged to them by the Ministry of Finance plus an administrative spread. The short term debt is converted to a long term mortgage at the completion of each construction project. In 2023, \$13,933,727 of short term capital financing was converted to long term mortgage at the completion of the Twenty-Seven Eighty-Two construction project. In 2022, \$2,151,025 short term capital financing was forgiven and recorded in Government contributions on the Statement of Operations.

6. Mortgages Payable

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

Principal due within each of the next five years on these mortgages is as follows:		Assuming no mortgage renewal	Assuming mortgage renewal
	2024	\$ 14,427,188	\$ 6,173,316
	2025	8,837,329	5,958,720
	2026	6,644,553	5,748,113
	2027	11,452,520	5,607,311
	2028	\$ 4,006,294	\$ 5,276,183

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

7. Asset Retirement Obligations

The Corporation owns buildings that contain hazardous materials including asbestos and lead. There is a legal obligation to remove these materials in a prescribed manner when they are disturbed. These costs are expected to be incurred over the next 17 years as buildings are demolished or renovated. The retirement costs are estimated to include all costs directly attributable to the abatement of the hazardous materials, including overhead costs.

The Corporation uses the Municipal Finance Authority (MFA) long-term borrowing rate as the discount rate. The 10-year average B.C. consumer price index rate is used to estimate inflation and aligns with the Bank of Canada's target inflation range of 1.00% to 3.00%.

	2022 Restated (Note 2)	ARO Additions	ARO Settlements	Revisions to Estimate	Accretion Expense	2023
Hazardous Materials	\$ 8,279,238	\$ -	\$ -	\$ 864,654	\$ 377,533	\$ 9,521,426

Estimated cash flows have been discounted to present value. Discount and inflation rates in the future are estimates and subject to change. These changes can impact ARO values significantly when being applied over an extended duration.

	2023	2022 Restated (Note 2)
Discount Rate	4.17%	4.56%
Inflation rate	2.54%	2.15%
Settlement Timing	10 to 17 years	11 to 18 years

8. 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.

9. Invested in Capital Assets

Investment in capital assets is calculated as follows:

	December 31, 2023	December 31, 2022 Restated (Note 2)
Capital assets	\$ 262,404,263	\$ 217,766,993
Accounts Receivable	5,516,825	2,347,762
Interfund due from rental housing operating fund	553,905	1,832,022
Restricted cash	-	4,430,279
Prepaid expense	109,184	-
Mortgages payable	(175,492,584)	(158,604,520)
Short-term capital financing	(27,454,719)	(21,157,445)
Asset retirement obligations	(9,521,426)	(8,279,238)
	\$ 56,115,448	\$ 38,335,853

10. Restricted Net Assets

Externally restricted net assets:

	December 31, 2023	December 31, 2022
Replacement reserve fund	\$ 8,543,170	\$ 8,168,045
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,949)
Portfolio stabilization reserve - umbrella agreement	2,903,312	3,410,606
Portfolio stabilization reserve - ILBC2 agreement	(333,578)	(107,961)
Portfolio stabilization reserve - RHFP agreement	369,478	265,650
Portfolio stabilization reserve - IHI	479,065	389,301
Portfolio stabilization reserve - CHF	(35,557)	5,477
	\$ 11,921,941	\$ 12,127,169

10. Restricted Net Assets (continued)

Internally restricted net assets:

	December 31, 2023	December 31, 2022
Portfolio stabilization reserve - no operating agreement	\$ 1,026,805	\$ 959,903
Guest suite surplus	41,502	39,701
Vehicle replacement reserve	17,863	101,204
Equipment replacement reserve	20,057	25,652
	\$ 1,106,227	\$ 1,126,460

Rental housing operating fund balance:

	December 31, 2023	December 31, 2022
Portfolio stabilization reserve - umbrella agreement	\$ 2,903,312	\$ 3,410,606
Portfolio stabilization reserve - ILBC2 agreement	(333,578)	(107,961)
Portfolio stabilization reserve - RHFP agreement	369,478	265,650
Portfolio stabilization reserve - IHI agreement	479,065	389,301
Portfolio stabilization reserve - CHF agreement	(35,557)	5,477
Portfolio stabilization reserve - no operating agreement	1,026,805	959,903
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,949)
	\$ 4,405,576	\$ 4,919,027

The Portfolio stabilization reserves are detailed in Schedule B.

11. Unrestricted Net Assets

Unrestricted net assets - corporation stabilization reserve:

	December 31, 2023	December 31, 2022
Operating net assets, ending balance	\$ 1,935,272	\$ 1,032,084
Less: Internally restricted net assets		
Guest suite surplus	(41,502)	(39,701)
Vehicle replacement reserve	(17,863)	(101,204)
Equipment replacement reserve	(20,057)	(25,652)
	\$ 1,855,850	\$ 865,527

12. Commitments and Contingencies

a. Related Party Transactions

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

In 2018, a RHFP project management office was created to support the delivery of the Program. During the year the Corporation contributed \$205,842 (2022: \$27,538) to the CRD, to cost share in administrative support and project management services.

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

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

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

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

On April 17, 2023, as part of the RHFP, the CRD purchased Prosser Place and entered into a 60-year prepaid lease in the amount of \$12,289,721 and a 35-year operator agreement with the Corporation. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

b. Sublease of Kings Place Housing Development

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

12. Commitments and Contingencies (continued)

c. Building Envelope Remediation (BER)

Prior to the signing of the Umbrella Agreement in 2012, BCHMC provided funding for building envelope failure remediation for BCHMC and Homes BC buildings. BCHMC may require repayment of certain BER subsidies. Repayment would be funded by second mortgages. Funding for future BER for all buildings except No Operating Agreement buildings is subject to future negotiations with BCHMC. In 2014, BCHMC entered into an agreement with the Corporation to fund the Heathers BER with a 35-year forgivable mortgage of \$1,258,358. In 2023, BCHMC entered into an agreement with the Corporation to fund the Carey Lane BER with a 35-year forgivable mortgage of \$5,450,000.

d. Government Contributions

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

13. Pension Liability

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

As at December 31, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 61 contributors from the Corporation.

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

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

13. Pension Liability (continued)

The Corporation's employer contributions to the Plan for the fiscal year ended December 31, 2023 were \$291,414 (2022: \$258,786). The next valuation will be as at December 31, 2024, with results available in 2025.

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

14. Financial Risks and Concentration of Risk

a. Credit risk

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable, cash, and cash equivalents, and investments. The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2023 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, 2023 is \$0 (2022: \$0). There have been no significant changes to the credit risk exposure from 2022.

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 6. There have been no significant changes to the liquidity risk exposure from 2022.

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 2022.

14. Financial Risks and Concentration of Risk (continued)

c. Market risk: (continued)

ii. Interest rate risk:

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

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

The Corporation's mortgage interest rates are fixed and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received for most properties from BCHMC and CMHC, which is based on mortgage principal and interest payments. At December 31, 2023, there are nine properties which do not receive subsidy assistance based on mortgage interest rates: Village on the Green, Vergo, Royal Oak Square, Millstream Ridge, Westview, Spencer Close, West Park, Hockley House, and Prosser Place. These properties will be subject to interest rate risk upon renewal.

15. Comparative Information

2022 comparative information on the statement of operations has been recast to reflect a change in the presentation of project management fees adopted for the current year. Project management fees, which reflect the allocation of project management costs between the Corporate Operating Fund and the Capital Fund, are no longer presented as a caption on the statement of operations. Total revenue and expenses decreased by \$411,000 as a result of presenting internally generated project management fees on a net rather than gross basis. There was no change to prior year annual surplus as a result of the new presentation.

Changes in Replacement Reserve Fund

For the Year Ended December 31, 2023

	Balance at December 31 2022	Transfer from Rental Operating Fund	Transfer from Portfolio Stabilization Reserve	Contribution from BCHMC	Interest	Transfer to Capital Fund	2023
<u>Umbrella Agreement</u>							
Oakwinds	\$ 885,128	\$ 103,578	\$ -	\$ -	\$ 51,955	\$ (50,769)	\$ 989,892
James Yates Gardens	151,639	16,572	-	-	8,383	(25,719)	150,875
Pinehurst	467,755	41,431	-	-	2,047	(905,100)	(393,867)
The Brambles	198,128	37,288	-	-	11,309	(36,724)	210,001
The Terraces	657,133	41,431	-	-	38,470	(5,866)	731,168
Michigan Square	339,956	-	-	-	19,254	(4,344)	354,866
Olympic View	69,000	124,294	-	-	5,177	(80,641)	117,830
Swanlea	153,876	29,002	-	-	9,597	-	192,475
Firgrove	105,858	66,290	-	-	5,371	(89,567)	87,952
Beechwood Park	97,989	99,435	-	-	7,221	(42,064)	162,581
Grey Oak Square	51,991	49,718	-	-	3,315	(37,379)	67,645
Willowdene	25,956	31,074	-	-	2,041	(11,371)	47,700
Rosewood	200,268	91,149	-	-	12,267	(61,256)	242,428
Gladstone	62,840	29,002	-	-	3,992	(14,603)	81,231
Camosun Place	75,844	16,572	-	-	4,387	(14,347)	82,456
Parkview	93,833	53,861	-	-	5,440	(50,655)	102,479
Carey Lane	3,590	45,574	-	-	-	(85,020)	(35,856)
Colquitz Green	(12,005)	41,431	-	-	-	(28,051)	1,375
Springtide	245,452	99,435	-	-	10,633	(217,252)	138,268
Greenlea	20,179	43,503	-	-	1,794	(20,925)	44,551
Arbutus View	(55,883)	47,646	-	-	-	(26,418)	(34,655)
Amberlea	287,166	91,149	-	-	17,582	(48,563)	347,334
Cloverhurst	62,455	20,716	-	-	3,958	(6,733)	80,396
Hamlet	2,473	20,716	-	-	-	(39,722)	(16,533)
Viewmont	204,739	74,576	-	-	13,033	(26,764)	265,584
Creekside	62,322	49,718	-	-	1,575	(119,104)	(5,489)
The Birches	196,536	116,008	-	-	10,769	(131,212)	192,101
Caledonia	18,454	-	-	-	1,052	-	19,506
The Heathers	187,272	53,861	-	-	10,791	(49,761)	202,163
Heron Cove	157,773	49,718	-	-	9,197	(42,563)	174,125
Castanea Place	452,970	122,222	-	-	25,182	(144,569)	455,805
Leblond Place	(8,027)	89,077	-	-	210	(65,662)	15,598
Rotary House	68,075	84,934	-	-	3,658	(92,735)	63,932
Cairns Park	(23,081)	12,429	-	-	-	(3,365)	(14,017)
Kings Place	123,991	72,505	-	-	4,446	(131,989)	68,953
Carillon Place	61,913	31,074	-	-	3,564	(29,860)	66,691
Brock Place	102,159	62,147	-	-	6,000	(55,925)	114,381
Harbour Lane	310,653	58,004	-	-	19,213	(5,204)	382,666
Tillicum Station	335,204	82,860	-	-	20,411	(37,148)	401,327
<u>ILBC2 Agreement</u>							
Parry Place	152,676	16,600	-	-	9,028	(5,185)	173,119
<u>No Operating Agreement</u>							
Village on the Green	(247,348)	78,719	-	-	-	(14,975)	(183,604)
Vergo	109,125	37,288	-	-	6,678	(21,225)	131,866
Portage Place	206,692	35,217	-	-	12,516	(9,422)	245,003
Campus View Court	175,197	24,859	-	-	10,406	(10,143)	200,319
Royal Oak Square	226,903	78,719	-	-	11,924	(114,140)	203,406
<u>RHFP Agreement</u>							
Millstream Ridge	364,431	114,048	-	-	22,545	(51,866)	449,158
Spencer Close	207,157	112,320	-	-	14,149	(30,190)	303,436
West Park	243,897	131,328	-	-	16,755	(31,224)	360,756
Hockley House	179,121	103,680	-	-	12,440	(25,442)	269,799
Prosser Place	-	37,454	-	-	960	(3,761)	34,653
<u>IHI Agreement</u>							
Westview	108,620	63,072	-	-	7,402	(27,952)	151,142

Changes in Replacement Reserve Fund

For the Year Ended December 31, 2023

	Balance at December 31 2022	Transfer from Rental Operating Fund	Transfer from Portfolio Stabilization Reserve	Contribution from BCHMC	Interest	Transfer to Capital Fund	2023
<u>CHF Agreement</u>							
Twenty-Seven Eighty-Two	-	50,112	-	-	1,336	(3,249)	48,199
	\$ 8,168,045	\$ 3,083,416	\$ -	\$ -	\$ 479,433	\$(3,187,724)	\$ 8,543,170

Changes in Portfolio Stabilization Reserves

For the Year Ended December 31, 2023

	Balance at December 31, 2022	Reimburse BCHMC	Transfer (to) Replacement Reserve Fund (Schedule A)	Transfer from/(to) Rental Operating Fund (Schedule E)	Transfer (to) Capital Fund	Balance at December 31, 2023
<u>UOA</u>						
CMHC	\$ 8,325,280	\$ -	\$ -	\$ 1,610,188	\$ -	\$ 9,935,468
BCHMC	(4,612,536)	-	-	(1,384,268)	(600,000)	(6,596,804)
Homes BC	(302,138)	-	-	(133,214)	-	(435,352)
	3,410,606	-	-	92,706	(600,000)	2,903,312
<u>ILBC2</u>						
Parry Place	(107,961)	-	-	(225,617)	-	(333,578)
<u>RHEP</u>						
Millstream Ridge	(243,125)	-	-	(265,260)	-	(508,385)
Spencer Close	461,697	-	-	213,300	-	674,997
West Park	67,033	-	-	83,984	-	151,017
Hockley House	(19,955)	-	-	34,908	-	14,953
Prosser Place	-	-	-	36,896	-	36,896
	265,650	-	-	103,828	-	369,478
<u>IHI</u>						
Westview	389,301	-	-	89,764	-	479,065
<u>CHF</u>						
Twenty-Seven Eighty-Two	5,477	-	-	(41,034)	-	(35,557)
<u>NOA</u>						
Portage Place	271,772	-	-	93,296	-	365,068
Campus View Court	211,817	-	-	82,290	-	294,107
Royal Oak Square	421,039	-	-	(79,392)	-	341,647
Village on the Green	792,087	-	-	95,550	-	887,637
Vergo	(736,812)	-	-	(124,842)	-	(861,654)
	959,903	-	-	66,902	-	1,026,805
	\$ 4,922,976	\$ -	\$ -	\$ 86,549	\$ (600,000)	\$ 4,409,525

Capital Assets

For the Year Ended December 31, 2023

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2023	2022 Restated (Note 2)
In Operation										
<u>Umbrella Agreement</u>										
Oakwinds	Feb/85	\$ -	\$ 830,075	\$ 3,150,168	\$ 1,681,213	\$ 50,769	\$ 5,712,225	\$ (5,212,455)	\$ 499,770	\$ 453,153
James Yates Gardens	Oct/84	103,200	-	430,232	314,251	25,719	873,402	(676,638)	196,764	175,625
Pinehurst	Feb/85	277,692	-	1,320,004	758,201	905,100	3,260,997	(1,989,853)	1,271,144	449,350
The Brambles	Jun/85	275,975	-	1,175,645	798,477	36,724	2,286,821	(1,824,892)	461,929	416,629
The Terraces	May/85	356,532	-	1,245,544	874,220	5,866	2,482,162	(1,974,512)	507,650	476,350
Michigan Square	Sep/85	784,763	-	1,912,803	1,526,030	4,344	4,227,940	(3,313,027)	914,913	927,599
Olympic View	Apr/86	900,000	-	3,720,552	2,508,287	80,641	7,209,480	(5,562,950)	1,646,530	1,560,531
Swanlea	Dec/85	230,215	-	849,385	520,253	-	1,599,853	(1,242,265)	357,588	348,735
Firgrove	Feb/86	480,000	-	1,975,200	1,242,994	89,567	3,787,761	(2,980,468)	807,293	699,002
Beechwood Park	Feb/86	888,000	-	2,317,623	3,127,791	42,064	6,375,478	(5,111,477)	1,264,001	1,310,677
Grey Oak Square	Apr/86	409,015	-	1,290,394	1,016,477	37,379	2,753,265	(2,167,160)	586,105	588,324
Willowdene	Sep/87	-	-	884,186	718,873	11,371	1,614,430	(1,505,392)	109,038	123,505
Rosewood	Oct/88	-	255,000	1,864,715	921,193	61,256	3,102,164	(2,795,007)	307,157	293,784
Gladstone	Jan/89	-	197,000	912,600	536,984	14,603	1,661,187	(1,498,594)	162,593	195,647
Camosun Place	Mar/89	-	108,000	489,700	247,237	14,347	859,284	(760,884)	98,400	111,400
Parkview	May/89	-	283,250	1,994,937	1,047,585	50,655	3,376,427	(2,930,807)	445,620	432,556
Carey Lane	Aug/89	-	283,250	1,443,751	1,004,774	85,020	2,816,795	(2,472,839)	343,956	350,765
Colquitz Green	Nov/89	-	160,250	1,504,000	848,107	28,051	2,540,408	(2,319,890)	220,518	273,041
Springtide	May/90	-	324,500	2,793,667	941,952	217,252	4,277,371	(3,593,581)	683,790	502,507
Greenlea	Feb/90	-	305,750	1,560,300	914,296	20,925	2,801,271	(2,470,689)	330,582	395,093
Arbutus View	Jul/90	-	370,250	1,592,750	1,111,150	26,418	3,100,568	(2,652,362)	448,206	530,753
Amberlea	May/90	-	447,501	2,578,479	1,008,409	48,563	4,082,952	(3,569,788)	513,164	601,054
Cloverhurst	May/90	-	197,000	651,500	276,134	6,733	1,131,367	(975,489)	155,878	183,174
Hamlet	Oct/90	-	152,000	803,000	417,221	39,722	1,411,943	(1,223,786)	188,157	193,782
Viewmont	Aug/91	-	402,140	2,378,046	880,400	26,764	3,687,350	(3,205,132)	482,218	568,097
Creekside	Apr/92	-	388,250	2,363,830	966,257	119,104	3,837,441	(3,232,003)	605,438	600,863
The Birches	Aug/92	-	675,000	3,684,874	1,019,369	131,212	5,510,455	(4,586,858)	923,597	965,703
The Heathers	Apr/93	-	436,279	1,974,683	508,942	49,761	2,969,665	(2,386,388)	583,277	627,670
Heron Cove	Oct/93	-	270,000	2,274,691	589,778	42,563	3,177,032	(2,642,322)	534,710	592,378
Castanea Place	Feb/95	-	1,277,000	4,841,879	1,292,107	144,569	7,555,555	(5,664,279)	1,891,276	1,988,625
Leblond Place	Sep/96	-	900,000	4,506,231	1,322,997	65,662	6,794,890	(5,033,908)	1,760,982	1,938,601
Rotary House	Nov/06	-	556,600	2,994,000	768,446	92,735	4,411,781	(3,094,436)	1,317,345	1,418,947
Cairns Park	Dec/96	-	240,000	415,314	232,004	3,365	890,683	(617,045)	273,638	301,365
Kings Place	N/A	-	-	-	763,001	131,989	894,990	(634,267)	260,723	177,413

Capital Assets

For the Year Ended December 31, 2023

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2023	2022 Restated (Note 2)
Carillon Place	Jul/98	-	525,000	1,280,389	740,037	29,860	2,575,286	(1,773,632)	801,654	857,124
Brock Place	Jan/00	-	840,000	3,465,836	1,121,311	55,925	5,483,072	(3,623,714)	1,859,358	1,975,991
Harbour Lane	Oct/01	-	825,000	3,607,266	378,201	5,204	4,815,671	(2,993,471)	1,822,200	1,952,328
Tillicum Station	Jul/02	-	948,750	4,300,764	650,864	37,148	5,937,526	(3,563,628)	2,373,898	2,514,694
Building Envelope Remediation										
Amberlea	2008	-	-	2,367,415	-	-	2,367,415	(2,237,128)	130,287	260,577
Cloverhurst	2008	-	-	1,105,204	-	-	1,105,204	(1,044,758)	60,446	120,895
The Birches	2006	-	-	1,635,610	-	-	1,635,610	(1,405,522)	230,088	306,783
Heron Cove	2007	-	-	1,756,374	-	-	1,756,374	(1,436,849)	319,525	399,409
Castanea Place	2007	-	-	2,531,350	-	-	2,531,350	(1,878,342)	653,008	761,841
Leblond Place	2009	-	-	3,337,941	-	-	3,337,941	(2,313,896)	1,024,045	1,170,339
The Heathers	2016	-	-	1,258,358	-	-	1,258,358	(837,096)	421,262	526,578
ILBC2 Agreement										
Parry Place	Jun/08	1,400,000	-	4,794,269	271,379	5,185	6,470,833	(2,376,454)	4,094,379	4,247,440
RHFP Agreement										
Millstream Ridge	Feb/19	-	35,428,849	-	94,782	51,866	35,575,497	(3,001,015)	32,574,482	33,131,122
Spencer Close	Nov/20	-	30,257,329	-	26,039	30,190	30,313,558	(1,567,006)	28,746,552	29,228,675
West Park	Nov/20	-	31,253,897	-	28,855	31,224	31,313,976	(1,617,359)	29,696,617	30,193,810
Hockley House	Apr/21	-	25,409,982	-	9,224	25,442	25,444,648	(1,169,123)	24,275,525	24,677,751
Prosser Place	Apr/23	-	13,230,027	-	-	3,761	13,233,788	(165,751)	13,068,037	-
IHI Agreement										
Westview	May/20	-	-	14,937,177	66,403	27,952	15,031,532	(1,566,032)	13,465,500	13,883,917
CHF Agreement										
Twenty-Seven Eighty-Two	Nov/22	-	-	19,818,317	-	3,249	19,821,566	(674,491)	19,147,075	19,719,409
No Operating Agreement										
Village on the Green	May/84	910,171	-	2,186,695	1,708,677	14,975	4,820,518	(3,272,094)	1,548,424	1,623,385
Vergo	May/12	1,144,327	-	4,226,787	122,570	21,225	5,514,909	(1,535,305)	3,979,604	4,090,609
Portage Place	Aug/83	328,659	-	1,068,173	736,342	9,422	2,142,596	(1,645,060)	497,536	494,327
Campus View Court	Sep/83	341,224	-	764,934	616,476	10,143	1,732,777	(1,274,004)	458,773	450,617
Royal Oak Square	Mar/84	666,280	-	2,309,146	1,911,064	114,140	5,000,630	(3,768,802)	1,231,828	1,149,940
Buildings Under Construction		-	403,473	58,410,970	-	-	58,814,443	(208,463)	58,605,980	23,233,773
Office Equipment		-	-	-	601,815	-	601,815	(524,093)	77,722	22,961
Vehicles		-	-	-	147,052	-	147,052	(60,544)	86,508	-
		\$ 9,496,053	\$ 148,181,402	\$ 199,057,658	\$ 41,936,501	\$ 3,187,724	\$ 401,859,338	\$ (139,455,075)	\$ 262,404,263	\$ 217,766,993

Capital Fund - Mortgages Payable

For the Year Ended December 31, 2023

Rental Property	Interest Rate	Renewal Date	Maturity Date	2023	2022
<u>Umbrella Agreement</u>					
Rosewood	2.610%		November 1, 2023	\$ -	\$ 110,325
Gladstone	2.610%		January 1, 2024	5,316	68,254
Camosun Place	1.860%		March 1, 2024	7,996	39,598
Parkview	1.690%		May 1, 2024	49,575	167,168
Carey Lane	1.690%		August 1, 2024	65,468	162,315
Colquitz Green	1.730%		November 1, 2024	87,245	180,894
Springtide	0.680%		May 1, 2025	223,354	379,730
Greenlea	0.690%		March 1, 2025	131,863	236,541
Arbutus View	0.680%		July 1, 2025	169,367	275,403
Amberlea	0.680%		May 1, 2025	238,605	405,659
Cloverhurst	0.680%		May 1, 2025	66,657	113,325
Hamlet	0.740%		October 1, 2025	97,472	150,088
Viewmont	1.120%		August 1, 2026	386,607	528,642
Creekside	2.600%		April 1, 2027	471,622	605,360
The Birches	2.550%		August 1, 2027	802,817	1,009,145
The Heathers	2.600%		April 1, 2028	513,260	623,759
Heron Cove	4.180%		October 1, 2028	595,491	709,654
Castanea Place	0.690%	June 1, 2025	February 1, 2030	1,822,804	2,111,169
Leblond Place - 1st mortgage	1.280%		September 1, 2031	1,553,387	1,742,867
Leblond Place - 2nd mortgage	2.150%	March 1, 2025	March 1, 2045	2,276,890	2,360,631
Rotary House	2.510%		March 1, 2028	807,209	984,988
Cairns Park	2.589%		December 1, 2031	238,678	265,205
Carillon Place	3.220%	June 1, 2024	July 1, 2033	770,688	838,339
Brock Place	2.840%	January 1, 2030	January 1, 2035	2,164,885	2,328,951
Harbour Lane	2.200%	October 1, 2026	October 1, 2036	2,220,506	2,368,747
Tillicum Station	3.265%	July 1, 2024	July 1, 2037	2,960,113	3,130,825
<u>ILBC2 Agreement</u>					
Parry Place	3.480%	May 1, 2024	May 1, 2043	3,140,823	3,251,814
<u>RHFP Agreement</u>					
Millstream Ridge	2.860%	February 1, 2029	March 1, 2054	32,490,978	33,159,724
Spencer Close	1.519%	January 1, 2031	February 1, 2056	28,495,405	29,180,152
West Park	1.519%	January 1, 2031	February 1, 2056	28,822,333	29,514,936
Hockley House	2.459%	June 1, 2031	July 1, 2056	24,384,028	24,865,357
Prosser Place	3.580%	July 1, 2033	June 1, 2058	9,358,545	-
<u>IHI Agreement</u>					
Westview	1.631%	September 1, 2030	September 1, 2055	6,950,886	7,116,837
<u>No Operating Agreement</u>					
Royal Oak Square	4.320%	July 1, 2027	July 1, 2057	4,419,405	4,477,146
Village on the Green	2.250%	October 1, 2024	October 1, 2039	1,617,869	1,702,077
Vergo	4.950%	September 1, 2027	September 1, 2042	3,332,937	3,438,895
<u>CHF Agreement</u>					
Twenty-Seven Eighty-Two	3.710%	January 1, 2033	January 1, 2058	13,751,500	-
				175,492,584	158,604,520
Principal Current Portion				(6,193,511)	(6,213,290)
Principal Renewal Portion				(8,233,676)	(595,492)
				<u>\$ 161,065,397</u>	<u>\$ 151,795,738</u>

Capital Region Housing Corporation

Schedule E

Operating Fund - Rental Operations

For the Year Ended December 31, 2023

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
Umbrella Agreement													
CMHC													
Oakwinds	50	\$ 701,853	\$ -	\$ -	\$ 1,684	\$ 703,537	\$ 322,677	\$ 103,578	\$ -	\$ -	\$ 426,255	\$ 277,282	\$ (277,282)
James Yates Gardens	8	85,946	-	-	-	85,946	54,767	16,572	-	-	71,339	14,607	(14,607)
Pinehurst	20	311,677	-	-	1,521	313,198	128,610	41,431	-	-	170,041	143,157	(143,157)
The Brambles	18	274,116	-	-	1,467	275,583	135,526	37,288	-	-	172,814	102,769	(102,769)
The Terraces	20	277,881	-	-	1,162	279,043	130,707	41,431	-	-	172,138	106,905	(106,905)
Michigan Square	9	91,167	-	-	20	91,187	87,887	-	-	-	87,887	3,300	(3,300)
Olympic View	60	847,746	-	-	2,965	850,711	423,242	124,294	-	-	547,536	303,175	(303,175)
Swanlea	14	205,491	-	-	861	206,352	105,307	29,002	-	-	134,309	72,043	(72,043)
Firgrove	32	414,843	-	-	1,361	416,204	165,622	66,290	-	-	231,912	184,292	(184,292)
Beechwood Park	48	655,301	-	-	5,954	661,255	296,886	99,435	-	-	396,321	264,934	(264,934)
Grey Oak Square	24	343,947	-	-	2,509	346,456	159,014	49,718	-	-	208,732	137,724	(137,724)
	303	4,209,968	-	-	19,504	4,229,472	2,010,245	609,039	-	-	2,619,284	1,610,188	(1,610,188)
BCHMC													
Willowdene	15	135,328	-	-	371	135,699	172,372	31,074	158	-	203,604	(67,905)	67,905
Rosewood	44	258,934	-	71,247	1,588	331,769	276,205	91,149	101,605	-	468,959	(137,190)	137,190
Gladstone	14	141,299	-	63,462	25	204,786	105,718	29,002	63,964	-	198,684	6,102	(6,102)
Camosun Place	8	102,453	-	33,482	-	135,935	66,600	16,572	32,068	-	115,240	20,695	(20,695)
Parkview	26	246,930	-	114,992	549	362,471	185,087	53,861	119,503	-	358,451	4,020	(4,020)
Carey Lane	22	215,674	-	83,519	1,430	300,623	154,958	45,574	98,835	-	299,367	1,256	(1,256)
Colquitz Green	20	243,276	-	76,378	1,300	320,954	144,069	41,431	96,028	-	281,528	39,426	(39,426)
Springtide	48	265,469	-	113,296	1,996	380,761	357,437	99,435	158,468	-	615,340	(234,579)	234,579
Greenlea	21	225,738	-	42,429	1,229	269,396	148,033	43,503	105,977	-	297,513	(28,117)	28,117

Operating Fund - Rental Operations

For the Year Ended December 31, 2023

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
Arbutus View	23	230,760	-	49,371	181	280,312	134,510	47,646	107,576	-	289,732	(9,420)	9,420
Amberlea	44	314,903	-	113,244	1,563	429,710	333,002	91,149	169,288	-	593,439	(163,729)	163,729
Cloverhurst	10	70,026	-	41,179	95	111,300	76,388	20,716	47,292	-	144,396	(33,096)	33,096
Hamlet	10	144,395	-	49,703	-	194,098	94,458	20,716	53,547	-	168,721	25,377	(25,377)
Viewmont	36	212,831	-	161,862	1,393	376,086	263,517	74,576	147,215	-	485,308	(109,222)	109,222
Creekside	24	233,857	-	111,848	689	346,394	191,896	49,718	147,813	-	389,427	(43,033)	43,033
The Birches	56	329,367	-	163,923	2,344	495,634	303,781	116,008	229,534	-	649,323	(153,689)	153,689
The Heathers	26	157,795	-	108,553	1,996	268,344	174,314	53,861	125,324	-	353,499	(85,155)	85,155
Heron Cove	24	234,451	-	63,744	922	299,117	161,963	49,718	131,642	-	343,323	(44,206)	44,206
Castanea Place	59	428,305	-	183,142	1,295	612,742	361,868	122,222	302,000	-	786,090	(173,348)	173,348
Leblond Place	43	270,530	-	330,298	1,333	602,161	322,652	89,077	344,072	-	755,801	(153,640)	153,640
Rotary House	41	274,785	-	216,939	224	491,948	251,484	84,934	200,345	-	536,763	(44,815)	44,815
	614	4,737,106	-	2,192,611	20,523	6,950,240	4,280,312	1,271,942	2,782,254	-	8,334,508	(1,384,268)	1,384,268
Homes BC													
Cairns Park	6	52,577	-	23,745	-	76,322	49,138	12,429	33,045	-	94,612	(18,290)	18,290
Kings Place	35	406,973	-	165,424	2,516	574,913	507,826	72,505	-	-	580,331	(5,418)	5,418
Carillon Place	15	189,587	-	33,587	485	223,659	106,865	31,074	93,480	-	231,419	(7,760)	7,760
Brock Place	30	359,763	-	74,278	3,146	437,187	201,942	62,147	227,708	-	491,797	(54,610)	54,610
Harbour Lane	28	335,260	-	88,948	3,573	427,781	205,801	58,004	198,635	-	462,440	(34,659)	34,659
Tillicum Station	40	516,799	-	96,158	1,165	614,122	274,016	82,860	269,723	-	626,599	(12,477)	12,477
	154	1,860,959	-	482,140	10,885	2,353,984	1,345,588	319,019	822,591	-	2,487,198	(133,214)	133,214
	1,071	10,808,033	-	2,674,751	50,912	13,533,696	7,636,145	2,200,000	3,604,845	-	13,440,990	92,706	(92,706)

ILBC2 Agreement

Capital Region Housing Corporation

Schedule E

Operating Fund - Rental Operations

For the Year Ended December 31, 2023

	Revenues					Expenditures and Interfund Transfers					Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves	
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers			Total
Parry Place	21	357,343	298,464	-	13,503	669,310	656,731	16,600	221,596	-	894,927	(225,617)	225,617
RHFP Agreement													
Millstream Ridge	132	2,259,614	-	-	43,915	2,303,529	855,160	114,048	1,599,581	-	2,568,789	(265,260)	265,260
Spencer Close	130	2,167,087	-	-	42,700	2,209,787	763,189	112,320	1,120,978	-	1,996,487	213,300	(213,300)
West Park	152	2,070,532	-	-	46,679	2,117,211	768,060	131,328	1,133,839	-	2,033,227	83,984	(83,984)
Hockley House	120	1,817,843	-	-	31,965	1,849,808	623,831	103,680	1,087,389	-	1,814,900	34,908	(34,908)
Prosser Place	51	381,156	-	-	22,285	403,441	267,629	37,454	263,774	(202,312)	366,545	36,896	(36,896)
	585	8,696,232	-	-	187,544	8,883,776	3,277,869	498,830	5,205,561	(202,312)	8,779,948	103,828	(103,828)
IHI Agreement													
Westview	73	821,530	-	-	19,348	840,878	407,866	63,072	280,176	-	751,114	89,764	(89,764)
CHF Agreement													
Twenty-Seven Eighty-Two	58	596,378	411,936	-	(705)	1,007,609	305,843	50,112	692,688	-	1,048,643	(41,034)	41,034
No Operating Agreement													
Portage Place	17	238,684	-	-	360	239,044	110,531	35,217	-	-	145,748	93,296	(93,296)
Campus View Court	12	184,023	-	-	1,230	185,253	78,104	24,859	-	-	102,963	82,290	(82,290)
Royal Oak Square	38	505,215	-	-	1,621	506,836	259,414	78,719	248,095	-	586,228	(79,392)	79,392
Village on the Green	38	502,770	-	-	4,265	507,035	211,462	78,719	121,304	-	411,485	95,550	(95,550)
Vergo	18	291,927	-	-	-	291,927	107,834	37,288	271,647	-	416,769	(124,842)	124,842
	123	1,722,619	-	-	7,476	1,730,095	767,345	254,802	641,046	-	1,663,193	66,902	(66,902)
	1,931	\$23,002,135	\$ 710,400	\$ 2,674,751	\$ 278,078	\$26,665,364	\$13,051,799	\$ 3,083,416	\$10,645,912	\$ (202,312)	\$ 26,578,815	\$ 86,549	\$ (86,549)