

Capital Region Housing Corporation

Audited Financial Statements

December 31, 2013

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KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Capital Region Housing Corporation

We have audited the accompanying financial statements of the Capital Regional Housing Corporation, which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in net assets and remeasurement gains and losses and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Capital Regional Housing Corporation as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
March 25, 2014
Victoria, Canada

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CAPITAL REGION HOUSING CORPORATION

Statement of Financial Position
December 31, 2013, with comparative information for 2012

Statement A

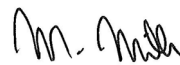
	December 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents (note 2)	\$ 2,360,307	\$ 987,932
Accounts receivable	66,125	247,070
Due from Capital Regional District	841	585
Inventory and prepaid expenses	235,219	174,551
	2,662,492	1,410,138
Cash and cash equivalents restricted for replacement reserve (note 2)	7,016,180	9,686,814
Investments (note 3)	3,066,950	4,440,377
Restricted cash held by BCHMC	376,416	376,416
Capital assets (Schedule 3, note 4)	72,275,712	74,200,498
	\$ 85,397,750	\$ 90,114,243
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 532,321	\$ 1,017,981
Accrued mortgage interest	244,114	255,337
Deferred revenue	564,441	504,731
Security deposits	507,910	500,302
Mortgages payable principal current portion (Schedule 4)	4,075,313	4,063,999
Mortgages payable principal renewal portion (Schedule 4)	12,093,332	288,161
	18,017,431	6,630,511
Mortgages payable (Schedule 4, note 5)	53,838,406	69,718,897
Capital Stock (note 6)	1	1
Net assets:		
Invested in capital assets (note 7)	3,965,209	1,829,752
Externally restricted:		
Replacement reserve fund (Schedule 1)	7,016,180	9,686,814
CMHC/BCHMC/Homes BC operating agreements	(3,948)	(56,628)
Portfolio stabilization reserve - umbrella agreement (Schedule 2)	1,143,207	803,939
Portfolio stabilization reserve - ILBC2 agreement (Schedule 2)	(49,532)	(30,954)
Family self sufficiency program	3,800	1,412
Internally restricted:		
Portfolio stabilization reserve - no operating agreement (Schedule 2)	97,213	98,596
Guest suites surplus	23,138	21,635
Vehicle replacement reserve	77,571	75,545
Equipment replacement reserve	69,170	61,026
Unrestricted:		
Corporation stabilization reserve	1,127,525	1,126,823
	13,469,533	13,617,960
Accumulated remeasurement gains	72,379	146,874
	13,541,912	13,764,834
Commitments and contingencies (note 8)		
	\$ 85,397,750	\$ 90,114,243

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

CAPITAL REGION HOUSING CORPORATION

Statement of Operations

STATEMENT B

Year ended December 31, 2013 with comparative information for 2012

	Operating Funds		Restricted Funds		Total 2013	Total 2012
	Corporation	Rental Housing	Capital Fund	Replacement Reserve Fund		
Revenues:						
Tenant rent contributions	\$ -	\$9,842,907	\$ -	\$ -	\$ 9,842,907	\$ 9,614,413
CMHC mortgage assistance	-	-	-	-	-	115,278
BCHMC rent subsidy assistance	-	244,084	-	-	244,084	1,007,423
BCHMC umbrella operating agreement funding	-	3,490,134	-	-	3,490,134	2,669,047
BCHMC building envelope remediation subsidy	-	-	-	-	-	36,435
Rental management fees	894,879	-	-	-	894,879	824,104
Rental management fees - other	85,542	-	-	-	85,542	85,693
Investment income	95,586	-	-	209,579	305,165	464,525
Guest suites, net	1,503	-	-	-	1,503	(1,668)
Miscellaneous	5,411	56,735	-	-	62,146	139,540
	1,082,921	13,633,860	-	209,579	14,926,360	14,954,790
Expenses:						
Administration and property management	1,070,546	-	-	-	1,070,546	981,110
Amortization - office equipment and vehicles	-	-	10,453	-	10,453	11,323
Amortization - buildings and equipment	-	-	5,403,610	-	5,403,610	5,009,970
Amortization - land leases	-	-	226,350	-	226,350	226,350
Property taxes	-	1,200,844	-	-	1,200,844	1,105,755
Insurance	-	260,310	-	-	260,310	238,201
Maintenance	-	576,371	-	-	576,371	653,361
Caretakers/ groundsmen	-	1,229,978	-	-	1,229,978	1,178,915
Hydro	-	241,998	-	-	241,998	237,251
Land and Improvement leases	-	294,000	-	-	294,000	335,685
Water	-	577,061	-	-	577,061	501,297
Oil and gas	-	134,715	-	-	134,715	122,222
Garbage	-	151,212	-	-	151,212	152,769
Rental management fee	-	894,467	-	-	894,467	823,701
Audit and legal	-	30,418	-	-	30,418	31,917
Lighting retrofit project	-	-	-	-	-	74,152
BCHMC BER 2012 HST refund	-	-	-	-	-	3,343
Miscellaneous	-	10,879	-	-	10,879	20,268
Hospitality services (Parry)	-	273,862	-	-	273,862	274,200
Vehicle - operating	-	-	-	-	-	1,386
Interest on long term debt	-	2,553,942	-	-	2,553,942	2,589,872
	1,070,546	8,430,057	5,640,413	-	15,141,016	14,573,048
Excess (deficiency) of revenues over expenses before:	12,375	5,203,803	(5,640,413)	209,579	(214,656)	381,742
Recovery BCHMC/Homes BC/ILBC2 2008-2010 deficit	-	-	-	-	-	198,886
Recovery BCHMC/Homes BC/ILBC2 2011 deficit	-	52,681	-	-	52,681	-
Repay BCHMC 2011 Parry subsidy overpayment	-	-	-	-	-	(6,500)
Recovery BCHMC 2012 Parry subsidy underpayment	-	13,548	-	-	13,548	-
Excess (deficiency) of revenues over expenses	\$ 12,375	\$5,270,032	\$(5,640,413)	\$ 209,579	\$ (148,427)	\$ 574,128

See accompanying notes to financial statements.

CAPITAL REGION HOUSING CORPORATION

Statement of Changes in Net Assets and Remeasurement Gains/Losses
 Year ended December 31, 2013, with comparative information for 2012

STATEMENT C

	Operating Funds		Restricted Funds			Total 2013	Total 2012
	Corporation	Rental Housing (Schedule 5)	Capital Fund	Replacement Reserve Fund (Schedule 1)	Remeasurement Gains/Losses		
Net assets, beginning of year	\$ 1,286,441	\$ 814,953	\$ 1,829,752	\$ 9,686,814	\$ 146,874	\$ 13,764,834	\$ 13,286,939
Excess (deficiency) of revenues over expenses	12,375	5,270,032	(5,640,413)	209,579	-	(148,427)	574,128
Interfund transfers:							
Mortgage principal repayments	-	(4,064,006)	4,064,006	-	-	-	-
Replacement reserve transfers	-	(843,531)	-	843,531	-	-	-
Replacement reserve expenditures	-	-	3,711,864	(3,711,864)	-	-	-
Replacement reserve prior year adjustment	-	11,880	-	(11,880)	-	-	-
Family self sufficiency program transfers	2,388	(2,388)	-	-	-	-	-
	2,388	(4,898,045)	7,775,870	(2,880,213)	-	-	-
Unrealized gains/(losses) on investments	-	-	-	-	(107,163)	(107,163)	(57,951)
Realized (gains)/losses on investments, reported in operations	-	-	-	-	32,668	32,668	(38,282)
	-	-	-	-	(74,495)	(74,495)	(96,233)
Net assets, end of year	\$ 1,301,204	\$ 1,186,940	\$ 3,965,209	\$ 7,016,180	\$ 72,379	\$ 13,541,912	\$ 13,764,834

See accompanying notes to financial statements

CAPITAL REGION HOUSING CORPORATION

Statement of Cash Flows

Years ended December 31, 2013, with comparative information for 2012

STATEMENT D

	Total 2013	Total 2012
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (148,427)	\$ 574,128
Items not involving cash:		
Amortization	5,640,413	5,247,643
Changes in non-cash assets and liabilities:		
Decrease in accounts receivable	180,945	4,997
Decrease (increase) in inventory and prepaid expenses	(60,668)	17,043
Decrease in accounts payable and accrued liabilities	(485,660)	(751,804)
Decrease in accrued mortgage interest	(11,223)	(3,622)
Increase (decrease) in deferred revenue	59,710	(83,674)
Increase in security deposits	7,609	22,880
Increase (decrease) due from Capital Regional District	(256)	148,876
	5,182,443	5,176,467
Investing activities:		
Decrease (increase) in restricted cash and cash equivalents	2,670,634	1,234,697
Decrease (increase) in investments	1,298,932	(244,471)
	3,969,566	990,226
Capital activities:		
Acquisition of capital assets	(3,715,628)	(5,377,167)
	(3,715,628)	(5,377,167)
Financing activities:		
Proceeds of long-term debt	-	3,309,142
Repayment of long-term debt	(4,064,006)	(3,881,213)
	(4,064,006)	(572,071)
Net change in cash and cash equivalents	1,372,375	217,455
Cash and cash equivalents, beginning of year	987,932	770,477
Cash and cash equivalents, end of year	\$ 2,360,307	\$ 987,932

See accompanying notes to financial statements.

CAPITAL REGION HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2013

General

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

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

a) Revenue Recognition

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

b) Fund Accounting

i. Operating Funds

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

ii. Capital Fund

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

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

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 Operating Fund. Capital expenditures made from the reserve are transferred to the Capital Fund.

c) Capital Assets

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

Asset	Rate
Land leases – BCHMC projects	60 years
Land lease – CMHC project	41 years
Land lease – Rotary House	29 years
Buildings	35 years
Equipment	10 years
Vehicles	5 years

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

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 two year 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

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

the Corporation. The interim agreement is intended to be renewed on April 1, 2014 for the remainder of a five year term.

ii. 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.

iii. 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.

iv. 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.

v. 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.

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.

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 .35% (2012: average prime).

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

g) Financial Instruments

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

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

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

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

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

Long-term debt is recorded at cost.

h) Use of Estimates

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

2. Cash and Cash Equivalents

Cash and cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments. Included in cash and cash equivalents are investments in the Municipal Finance Authority of British Columbia (MFA) Bond, Intermediate and Money Market Funds.

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

3. Investments

	Valuation	2013	2012
Chartered banks - Bonds	Fair Value	\$ 2,066,950	\$ 4,440,377
Chartered banks - Term Deposits	Cost	1,000,000	-
		\$ 3,066,950	\$4,440,377

4. Capital Assets

December 31, 2013	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Land under lease	12,601,318	4,383,176	8,218,142
Buildings	104,559,295	58,609,072	45,950,223
Equipment and other	24,310,076	15,698,782	8,611,294
	\$150,966,742	\$78,691,030	\$72,275,712

December 31, 2012	Cost	Accumulated Amortization	Net Book Value
Land	\$ 9,496,053	\$ -	\$ 9,496,053
Land under lease	12,601,318	4,156,826	8,444,492
Buildings	104,555,531	55,348,800	49,206,731
Equipment and other	20,598,212	13,544,990	7,053,222
	\$147,251,114	\$73,050,616	\$74,200,498

During 2012, interest of \$20,482 was capitalized during the construction of Vergo.

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

5. Mortgages Payable

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

6. Capital Stock

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

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

7. Invested in Capital Assets

Investment in capital assets is calculated as follows:

	December 31, 2013	December 31, 2012
Capital assets	\$72,275,712	\$74,200,498
Accounts receivable	420	16,827
Interfund due (to)/from	1,343,879	1,331,235
Restricted cash	376,416	376,416
Accounts payable and accrued liabilities	(24,167)	(24,167)
Mortgages payable	(70,007,051)	(74,071,057)
	<u>\$ 3,965,209</u>	<u>\$1,829,752</u>

8. Commitments and Contingencies

a) Related Party Transactions

The Corporation is a wholly owned subsidiary of the Capital Regional District (CRD). The Corporation committed to a sixty year lease for certain land from the CRD at the agreed upon price of \$525,000 which was recognized as a 1997 acquisition in the Capital Fund. In 2011, the CRD contributed the Mt. View Heights affordable family housing parcel at a fair market value of \$1,123,850 to the Corporation for the Vergo townhouse development.

During 2013, the Corporation purchased, at cost, \$127,670 (2012: \$123,759) of administrative support services and \$42,305 (2012: \$49,065) of computer support services from the CRD.

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

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.

d) Homes BC Program Repayable Assistance

Under the new Umbrella Agreement the Homes BC program repayable assistance will no longer apply as of April 1, 2012. Any outstanding repayable assistance owed by the Corporation to BCHMC will be forgiven at a rate of 1/5 each year commencing April 1, 2012. Estimated total repayable assistance at December 31, 2013 is \$1,525,865 (2012: \$1,907,331 2011: \$2,353,417).

9. 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 overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 25 contributors from the Corporation.

The most recent valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of the 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan. The Corporation paid \$125,850 for employer contributions to the Plan in fiscal 2013 (2012: \$114,479).

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

10. Financial risks and concentration of credit 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, 2013 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 income statement. Subsequent recoveries of impairment losses related to accounts receivable are credited to the income statement. The balance of the allowance for doubtful accounts at December 31, 2013 is \$0.

The maximum exposure to investment credit risk is the carrying value of the assets. There have been no significant changes to the credit risk exposure from 2012.

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 schedule 4. There have been no significant changes to the liquidity risk exposure from 2012.

CAPITAL REGION HOUSING CORPORATION
Notes to Financial Statements

Year ended December 31, 2013

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 2012.

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 market interest rates directly impact the fair value of the investments.

The fair value of mortgages payable at December 31, 2013 is \$63,667,094 compared to a carrying value of \$70,007,051. Fair value of mortgages payable has been calculated using the future cash flows (principal and interest) of the actual debt instruments, discounted at the estimated current market rates available to the Corporation for the same or similar debt instruments.

The Corporations mortgage interest rates are fixed rate mortgages and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received from BCHMC and CMHC which is based on mortgage principal and interest payments.

There has been no change to the interest rate risk exposure from 2012.

CAPITAL REGION HOUSING CORPORATION

SCHEDULE 1

Changes in Replacement Reserve Fund

Year ended December 31, 2013

	Balance at December 31 2012	Contribution from Rental Operating Fund	Interest	Transfer to Capital Fund	Prior Year Adjustment	Balance at December 31 2013
Umbrella Agreement						
Portage Place	\$ 338,891	\$ 28,000	\$ 8,645	\$ (20,598)	\$ -	\$ 354,938
Campus View Court	103,493	20,400	2,625	(7,458)	-	119,060
Royal Oak Square	529,942	47,000	13,275	(50,803)	-	539,414
Oakwinds	811,021	68,000	19,583	(133,537)	-	765,067
James Yates Gardens	175,621	13,400	4,446	(13,335)	-	180,132
Pinehurst	368,863	37,800	9,511	(14,777)	-	401,397
The Brambles	200,940	26,300	4,674	(46,641)	-	185,273
The Terraces	515,890	25,000	13,501	(5,572)	-	548,819
Michigan Square	323,214	51,000	6,933	(119,424)	-	261,723
Olympic View	510,110	71,000	12,615	(61,368)	-	532,357
Swanlea	210,948	16,000	4,529	(77,625)	-	153,852
Firgrove	175,382	37,300	2,480	(162,262)	-	52,900
Beechwood Park	1,068,701	38,000	-	(1,730,419)	-	(623,718)
Grey Oak Square	202,197	27,000	4,667	(49,619)	-	184,245
Willowdene	(140,907)	-	-	(74,971)	-	(215,878)
Rosewood	232,620	-	5,710	(31,195)	-	207,135
Gladstone	6,666	27,720	-	(17,749)	-	16,637
Camosun Place	55,576	13,978	1,266	(14,904)	-	55,916
Parkview	136,932	46,936	2,881	(54,892)	-	131,857
Carey Lane	29,865	44,592	-	(43,375)	-	31,082
Colquitz Green	53,290	36,033	1,091	(23,651)	-	66,763
Springtide	157,638	-	3,721	(32,420)	-	128,939
Greenlea	(68,690)	-	-	(55,988)	-	(124,678)
Arbutus View	27,683	-	387	(25,973)	-	2,097
Amberlea	338,551	-	8,391	(39,288)	-	307,654
Cloverhurst	79,780	-	2,076	(1,754)	-	80,102
Hamlet	61,896	-	1,293	(25,509)	-	37,680
Viewmont	155,560	39,539	3,284	(61,533)	-	136,850
Creekside	(26,200)	44,574	-	(99,789)	-	(81,415)
The Birches	127,401	-	2,962	(29,679)	-	100,684
Caledonia	135,394	-	2,376	(87,171)	-	50,599
The Heathers	143,130	-	3,649	(8,876)	-	137,903
Heron Cove	228,782	-	5,529	(37,334)	-	196,977
Castenea Place	514,511	-	13,047	(37,331)	-	490,227
Leblond Place	332,424	-	8,147	(45,604)	-	294,967
Rotary House	67,829	35,077	1,193	(44,984)	-	59,115
Cairns Park	60,960	4,970	1,542	(4,704)	-	62,768
Kings Place	152,220	21,072	2,950	(80,203)	-	96,039
Carillon Place	119,039	-	2,928	(15,543)	-	106,424
Brock Place	132,573	-	3,071	(31,700)	-	103,944
Harbour Lane	233,558	-	5,898	(18,801)	-	220,655
Tillicum Station	386,286	-	8,842	(100,455)	-	294,673
ILBC2 Agreement						
Parry Place	68,586	15,840	1,628	(1,512)	(11,880)	72,662
CRHC No Operating Agreement						
Village on the Green	343,981	-	8,110	(71,538)	-	280,553
Vergo	4,667	7,000	123	-	-	11,790
	9,686,814	\$ 843,531	\$ 209,579	\$ (3,711,864)	\$ (11,880)	7,016,180

CAPITAL REGION HOUSING CORPORATION

SCHEDULE 2

Changes in Portfolio Stabilization Reserves

Year ended December 31, 2012

	Balance at December 31 2012 <small>(see note below)</small>	Prior Year Adjustments	Recovery BCHMC	Interest	Contribution from/(to) Rental Operating Fund <small>(Schedule 5)</small>	Balance at December 31 2013
<u>Umbrella Agreement</u>						
CMHC	\$ 858,580	\$ -	\$ -	\$ -	\$ 526,899	\$ 1,385,479
BCHMC	(112,944)	-	-	-	(133,546)	(246,490)
Homes BC	58,303	-	-	-	(54,085)	4,218
	803,939	-	-	-	339,268	1,143,207
<u>ILBC2 Agreement</u>						
Parry Place	(30,954)	11,880	13,548	-	(44,006)	(49,532)
	(30,954)	11,880	13,548	-	(44,006)	(49,532)
<u>CRHC No Operating Agreement</u>						
Village on the Green	65,995	-	-	-	70,614	136,609
Vergo	32,601	-	-	-	(71,997)	(39,396)
	98,596	-	-	-	(1,383)	97,213
	\$ 871,581	\$ 11,880	\$ 13,548	\$ -	\$ 293,879	\$ 1,190,888

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 REGION HOUSING CORPORATION

SCHEDULE 3

Capital Assets

Year ended December 31, 2013

	Completed	Cost					Total	Accumulated Amortization	2013	2012
		Land	Land Under Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund				
In Operation										
<u>Umbrella Agreement</u>										
Portage Place	Aug/83	\$ 328,659	\$ -	\$ 965,774	\$ 287,083	\$ 20,598	\$ 1,602,114	\$ (1,080,397)	\$ 521,717	\$ 549,384
Campus View Court	Sep/83	341,224	-	688,111	335,257	7,458	1,372,050	(887,651)	484,399	512,734
Royal Oak Square	Mar/84	666,280	-	2,051,834	615,245	50,803	3,384,162	(2,263,940)	1,120,222	1,168,249
Oakwinds	Feb/85	-	830,075	2,835,407	857,043	133,537	4,656,062	(3,642,787)	1,013,275	1,052,060
James Yates Gardens	Oct/84	103,200	-	387,934	131,543	13,335	636,012	(441,155)	194,857	201,666
Pinehurst	Feb/85	277,692	-	1,188,811	437,287	14,777	1,918,567	(1,242,609)	675,958	735,273
The Brambles	Jun/85	275,975	-	1,048,104	504,484	46,641	1,875,204	(1,235,682)	639,522	668,795
The Terraces	May/85	356,532	-	1,087,668	596,525	5,572	2,046,297	(1,345,532)	700,765	765,713
Michigan Square	Sep/85	784,763	-	3,154,222	2,118,920	119,424	6,177,329	(4,016,900)	2,160,429	2,339,862
Olympic View	Apr/86	900,000	-	3,288,908	1,215,898	61,368	5,466,174	(3,646,477)	1,819,697	1,917,777
Swanlea	Dec/85	230,215	-	746,556	245,514	77,625	1,299,910	(826,304)	473,606	446,163
Firgrove	Feb/86	480,000	-	1,763,183	716,465	162,262	3,121,910	(2,028,115)	1,093,795	1,047,199
Beechwood Park	Feb/86	888,000	-	2,317,623	865,206	1,730,419	5,801,248	(2,826,761)	2,974,487	1,716,026
Grey Oak Square	Apr/86	409,015	-	1,290,394	488,331	49,619	2,237,359	(1,443,319)	794,040	813,026
Willowdene	Sep/87	-	-	884,186	445,089	74,971	1,404,246	(918,853)	485,393	500,192
Rosewood	Oct/88	-	255,000	1,864,715	457,399	31,195	2,608,309	(1,823,630)	784,679	851,183
Gladstone	Jan/89	-	197,000	912,600	372,425	17,749	1,499,774	(1,001,475)	498,299	540,567
Camosun Place	Mar/89	-	108,000	489,700	133,730	14,904	746,334	(494,534)	251,800	264,908
Parkview	May/89	-	283,250	1,795,567	593,760	54,892	2,727,469	(1,835,179)	892,290	946,932
Carey Lane	Aug/89	-	283,250	1,443,751	546,620	43,375	2,316,996	(1,572,965)	744,031	788,202
Colquitz Green	Nov/89	-	160,250	1,504,000	476,683	23,651	2,164,584	(1,459,081)	705,503	773,071
Springtide	May/90	-	324,500	2,519,309	550,782	32,420	3,427,011	(2,286,768)	1,140,243	1,223,651
Greenlea	Feb/90	-	305,750	1,560,300	546,601	55,988	2,468,639	(1,524,212)	944,427	1,005,764
Arbutus View	Jul/90	-	370,250	1,592,750	565,072	25,973	2,554,045	(1,590,102)	963,943	1,049,952
Amberlea	May/90	-	447,501	2,578,479	478,512	39,288	3,543,780	(2,339,003)	1,204,777	1,278,093
Cloverhurst	May/90	-	197,000	651,500	151,192	1,754	1,001,446	(646,182)	355,264	383,484
Hamlet	Oct/90	-	152,000	803,000	168,662	25,509	1,149,171	(743,955)	405,216	420,595
Viewmont	Aug/91	-	402,140	2,378,046	447,083	61,533	3,288,802	(2,020,999)	1,267,803	1,332,038
Creekside	Apr/92	-	388,250	2,363,830	609,957	99,789	3,461,826	(2,001,153)	1,460,673	1,519,089
The Birches	Aug/92	-	675,000	3,684,874	560,412	29,679	4,949,965	(2,985,104)	1,964,861	2,093,887
Caledonia	Apr/93	-	403,473	1,452,777	259,456	87,171	2,202,877	(1,224,093)	978,784	973,700
The Heathers	Apr/93	-	436,279	1,974,683	275,117	8,876	2,694,955	(1,544,089)	1,150,866	1,225,034
Heron Cove	Oct/93	-	270,000	2,274,691	256,554	37,334	2,838,579	(1,670,517)	1,168,062	1,220,891
Castanea Place	Feb/95	-	1,277,000	4,841,879	566,421	37,331	6,722,631	(3,478,304)	3,244,327	3,406,188
Leblond Place	Sep/96	-	900,000	4,506,231	298,345	45,604	5,750,180	(2,803,045)	2,947,135	3,077,380
Rotary House	Nov/06	-	556,600	2,994,000	251,980	44,984	3,847,564	(1,278,086)	2,569,478	2,696,073
Cairns Park	Dec/96	-	240,000	415,314	42,271	4,704	702,289	(321,785)	380,504	394,362
Kings Place	N/A	-	-	-	247,238	80,203	327,441	(184,308)	143,133	98,713
Carillon Place	Jul/98	-	525,000	1,280,389	121,444	15,543	1,942,376	(817,272)	1,125,104	1,166,153
Brock Place	Jan/00	-	840,000	3,465,836	322,144	31,700	4,659,680	(1,797,344)	2,862,336	2,978,369
Harbour Lane	Oct/01	-	825,000	3,607,266	142,640	18,801	4,593,707	(1,608,099)	2,985,608	3,101,114
Tillicum Station	Jul/02	-	948,750	4,300,764	160,082	100,455	5,510,051	(1,803,167)	3,706,884	3,776,029
Building Envelope Remediation										
Amberlea	-	-	-	2,367,415	-	-	2,367,415	(934,254)	1,433,161	1,563,448
Cloverhurst	-	-	-	1,105,204	-	-	1,105,204	(440,294)	664,910	725,356
Birches	-	-	-	1,635,610	-	-	1,635,610	(638,563)	997,047	1,073,743
Heron Cove	-	-	-	1,756,374	-	-	1,756,374	(638,035)	1,118,339	1,198,220
Castanea Place	-	-	-	2,531,350	-	-	2,531,350	(789,995)	1,741,355	1,850,190
Leblond Place	-	-	-	3,337,941	-	-	3,337,941	(850,973)	2,486,968	2,633,260
<u>ILBC2 Agreement</u>										
Parry Place	Jun/08	1,400,000	-	4,651,679	20,728	1,512	6,073,919	(808,473)	5,265,446	5,399,443
<u>CRHC No Operating Agreement</u>										
Village on the Green	May/84	910,171	-	2,002,921	563,182	71,538	3,547,812	(2,151,237)	1,396,575	1,432,332
Vergo	May/12	1,144,327	-	4,215,835	41,014	-	5,401,176	(249,003)	5,152,173	5,272,966
Office Equipment	-	-	-	-	450,272	-	450,272	(435,374)	14,898	18,702
Vehicles	-	-	-	-	60,544	-	60,544	(53,896)	6,648	13,297
		\$ 9,496,053	\$ 12,601,318	\$ 104,559,295	\$ 20,598,212	\$ 3,711,864	\$ 150,966,742	\$ (78,691,030)	\$ 72,275,712	\$ 74,200,498

CAPITAL REGION HOUSING CORPORATION

SCHEDULE 4

Capital Fund - Mortgages Payable

Year ended December 31, 2013

Rental Property	Interest Rate	Maturity Date	2013	2012
<u>Umbrella Agreement</u>				
Portage Place	3.680%	August 1,2018	\$ 365,401	\$ 435,934
Campus View Court	2.110%	September 1,2018	288,153	344,030
Royal Oak Square	2.710%	March 1,2019	811,380	953,346
Oakwinds	2.760%	June 1,2015	1,363,194	1,563,339
James Yates Gardens	2.650%	February 1,2015	172,470	199,468
Pinehurst	2.760%	June 1,2015	542,862	621,411
The Brambles	2.400%	October 1,2015	502,327	572,926
The Terraces	2.400%	October 1,2015	542,105	619,362
Michigan Square	2.260%	August 1,2016	1,557,576	1,768,885
Olympic View	2.930%	April 1,2021	1,762,054	1,974,512
Swanlea	3.430%	December 1,2020	398,547	448,126
Firgrove	3.150%	February 1,2021	920,926	1,033,800
Beechwood Park	3.150%	February 1,2021	1,319,203	1,480,891
Grey Oak Square	3.150%	March 1,2021	704,401	789,628
Willowdene	3.680%	December 1,2018	402,275	440,601
Rosewood	3.680%	December 1,2018	1,039,497	1,124,939
Gladstone	3.680%	December 1,2018	553,377	597,967
Camosun Place	2.710%	April 1,2019	292,876	317,357
Parkview	3.440%	September 1,2019	1,089,282	1,174,906
Carey Lane	3.440%	September 1,2019	920,721	991,080
Colquitz Green	3.510%	February 1,2020	908,245	975,464
Springtide	3.130%	October 1,2020	1,608,514	1,724,096
Greenlea	3.430%	June 1,2020	1,055,018	1,130,704
Arbutus View	3.130%	October 1,2020	1,107,362	1,185,573
Amberlea	3.130%	October 1,2020	1,718,344	1,841,818
Cloverhurst	3.130%	October 1,2020	480,037	514,531
Hamlet	3.430%	February 1,2021	554,543	591,967
Viewmont	2.490%	October 1,2021	1,652,583	1,762,305
Creekside	3.650%	June 1,2021	1,631,638	1,725,162
The Birches	3.540%	September 1,2018	2,595,158	2,740,575
Caledonia	3.650%	June 1,2018	1,147,937	1,207,959
The Heathers	3.650%	June 1,2018	1,469,531	1,546,368
Heron Cove	3.680%	December 1,2018	1,577,585	1,656,312
Castanea Place	3.430%	June 1,2020	4,261,652	4,456,075
Leblond Place - 1st mortgage	2.490%	October 1,2021	3,203,203	3,345,160
Leblond Place - 2nd mortgage	2.999%	October 1,2015	3,027,082	3,084,915
Rotary House	4.370%	March 1,2018	2,321,104	2,436,427
Cairns Park	4.759%	December 1,2016	473,036	489,356
Carillon Place	3.615%	July 1,2014	1,358,052	1,405,028
Brock Place	5.260%	January 1,2020	3,553,119	3,643,544
Harbour Lane	4.653%	October 1,2016	3,474,409	3,558,456
Tillicum Station	5.029%	July 1,2014	4,515,891	4,614,177
<u>ILBC2 Agreement</u>				
Parry Place	2.934%	May 1,2014	4,099,006	4,185,440
<u>CRHC No Operating Agreement</u>				
Village on the Green	4.900%	October 1,2014	2,282,674	2,325,962
Vergo	3.450%	August 1,2022	4,382,701	4,471,175
			\$ 70,007,051	\$ 74,071,057

Principal due within each of the next five years on these mortgages is approximately as follows:

	Assuming no mortgage renewal	Assuming mortgage renewal
2014	\$16,168,645	\$4,199,426
2015	9,125,505	4,338,270
2016	8,067,874	4,484,288
2017	3,313,492	4,630,543
2018	12,061,406	4,739,796

SCHEDULE 5

CAPITAL REGION HOUSING CORPORATION

Operating Fund - Rental Operations
Year ended December 31, 2013

	Number of units	Revenues			Expenditures and Interfund Transfers			Surplus/(Deficit) from Operations after Interfund Transfers	Allocation from (to) Portfolio Stabilization Reserves			
		Tenant rent contributions	CMHC mortgage assistance	BCHMC fixed funding	Other	Total	Operating Costs			Transfer to Replacement Reserve	Debt Charges	
<u>Umbrella Agreement</u>												
CMHC												
Portage Place	17	\$ 170,927	\$ -	\$ 18,658	\$ 401	\$ 189,986	\$ 73,872	\$ 28,000	\$ 85,066	\$ 186,938	\$ 3,048	\$ (3,048)
Campus View Court	12	137,045	-	12,208	664	149,917	56,152	20,400	64,615	141,167	8,750	(8,750)
Royal Oak Square	38	375,722	-	21,496	962	398,180	158,749	47,000	165,593	371,342	26,838	(26,838)
Oakwinds	50	543,758	-	65,231	858	609,847	218,174	68,000	240,085	526,259	83,588	(83,588)
James Yates Gardens	8	61,328	-	8,128	-	69,456	44,854	13,400	31,870	90,124	(20,668)	20,668
Pinehurst	20	209,805	-	26,190	1,248	237,243	91,252	37,800	94,439	223,491	13,752	(13,752)
The Brambles	18	177,682	-	20,598	886	199,166	90,976	26,300	83,371	200,647	(1,481)	1,481
The Terraces	20	209,271	-	22,669	684	232,624	89,844	25,000	91,052	205,896	26,728	(26,728)
Michigan Square	62	431,463	-	58,975	4,453	494,891	216,348	51,000	248,533	515,881	(20,990)	20,990
Olympic View	60	640,173	-	70,610	2,245	713,028	224,101	71,000	266,625	561,726	151,302	(151,302)
Swanlea	14	153,546	-	18,114	949	172,609	61,240	16,000	63,931	141,171	31,438	(31,438)
Figrove	32	310,760	-	37,102	843	348,705	128,576	37,300	143,322	309,198	39,507	(39,507)
Beechwood Park	48	494,745	-	53,052	3,198	550,995	177,328	38,000	205,306	420,634	130,361	(130,361)
Grey Oak Square	24	259,326	-	27,979	1,279	288,584	98,357	27,000	108,501	233,858	54,726	(54,726)
423	\$ 4,175,551	\$ 0	\$ 461,010	\$ 18,670	\$ 4,655,231	\$ 1,729,823	\$ 506,200	\$ 1,892,309	\$ 4,128,332	\$ 526,899	\$ (526,899)	

SCHEDULE 5
(continued)

CAPITAL REGION HOUSING CORPORATION
Operating Fund - Rental Operations
Year ended December 31, 2013

	Number of units	Revenues				Expenditures and Interfund Transfers				Surplus/(Deficit) from Operations after Interfund Transfers	Allocation from (to) Portfolio Stabilization Reserve		
		Tenant rent contributions		BCHMC		Transfer to		Debt Charges	Total				
		BCHMC rent subsidy	BCHMC fixed funding	Operating Costs	Replacement Reserve	Operating Costs	Replacement Reserve						
Umbrella Agreement													
BCHMC													
Willowdene	15	\$ 107,705	\$ -	\$ 55,116	\$ 8	\$ 162,829	\$ 118,933	\$ -	\$ 53,780	\$ 172,713	(9,884)	\$ 9,884	
Rosewood	44	215,922	-	79,908	2,321	298,151	178,081	-	125,106	303,187	(5,036)	5,036	
Gladstone	14	86,388	-	62,859	-	149,247	60,091	27,720	65,687	153,498	(4,251)	4,251	
Camosun Place	8	47,636	-	32,825	-	80,461	39,121	13,978	32,733	85,832	(5,371)	5,371	
Parkview	26	176,890	-	115,590	438	292,918	110,210	46,936	124,422	281,568	11,350	(11,350)	
Carey Lane	22	148,759	-	84,141	458	233,358	77,891	44,592	103,116	225,599	7,759	(7,759)	
Colquitz Green	20	133,705	-	77,175	450	211,330	79,269	36,033	100,143	215,445	(4,115)	4,115	
Springtide	48	242,103	-	114,396	2,586	359,085	192,776	-	167,560	360,336	(1,251)	1,251	
Greenlea	21	126,710	-	45,984	631	173,325	78,966	-	113,021	191,987	(18,662)	18,662	
Arbutus View	23	144,754	-	51,948	93	196,795	87,350	-	113,972	201,322	(4,527)	4,527	
Amberlea	44	221,153	-	115,649	1,887	338,689	185,050	-	179,001	364,051	(25,362)	25,362	
Cloverhurst	10	48,721	-	42,228	190	91,139	42,779	-	50,006	92,785	(1,646)	1,646	
Hamlet	10	61,494	-	51,495	-	112,989	44,767	-	57,004	101,771	11,218	(11,218)	
Viewmont	36	156,657	-	160,812	2,122	319,591	137,828	39,539	152,138	329,505	(9,914)	9,914	
Creekside	24	165,359	-	114,535	441	280,335	87,560	44,574	154,477	286,611	(6,276)	6,276	
The Birches	56	257,399	-	164,496	2,924	424,819	194,925	-	239,398	434,323	(9,504)	9,504	
Caledonia	18	105,505	-	82,464	344	188,313	74,194	-	102,790	176,984	11,329	(11,329)	
The Heathers	26	119,061	-	110,496	1,228	230,785	104,186	-	131,587	235,773	(4,988)	4,988	
Heron Cove	24	150,190	-	66,443	153	216,786	89,177	-	137,908	227,085	(10,299)	10,299	
Castanea Place	59	321,979	-	214,518	2,026	538,523	228,978	-	343,168	572,146	(33,623)	33,623	
Leblond Place	43	220,997	-	351,301	1,142	573,440	202,111	-	372,210	574,321	(881)	881	
Rotary House	41	172,718	-	228,355	2,352	403,425	169,393	35,077	218,567	423,037	(19,612)	19,612	
	632	\$ 3,431,805	\$ -	\$ 2,422,734	\$ 21,794	\$ 5,876,333	\$ 2,583,636	\$ 288,449	\$ 3,137,794	\$ 6,009,879	\$ (133,546)	\$ 133,546	
Homes BC													
Cairns Park	6	\$ 40,443	\$ -	\$ 28,728	\$ -	\$ 69,171	\$ 29,873	\$ 4,970	\$ 39,031	\$ 73,874	\$ (4,703)	\$ 4,703	
Kings Place	35	292,948	-	146,473	1,133	440,554	418,568	21,072	-	439,640	914	(914)	
Carillon Place	15	125,015	-	34,231	115	159,361	68,932	-	96,621	165,553	(6,192)	6,192	
Brock Place	30	266,469	-	119,460	1,631	387,560	128,094	-	277,872	405,966	(18,406)	18,406	
Harbour Lane	28	230,374	-	131,940	541	362,855	139,287	-	246,278	385,565	(22,710)	22,710	
Tillicum Station	40	357,069	-	145,558	933	503,560	180,831	-	325,717	506,548	(2,988)	2,988	
	154	\$ 1,312,318	\$ -	\$ 606,390	\$ 4,353	\$ 1,923,061	\$ 965,585	\$ 26,042	\$ 985,519	\$ 1,977,146	\$ (54,085)	\$ 54,085	
	1,209	\$ 8,919,674	\$ -	\$ 3,490,134	\$ 44,817	\$ 12,454,625	\$ 5,279,044	\$ 820,691	\$ 6,015,622	\$ 12,115,357	\$ 339,268	\$ -339,268	

**SCHEDULE 5
(continued)**

CAPITAL REGION HOUSING CORPORATION
Operating Fund - Rental Operations
Year ended December 31, 2013

	Revenues			Expenditures and Interfund Transfers				Surplus/(Deficit) from Operations after Interfund Transfers	Allocation from (to) Portfolio Stabilization Reserve				
	Number of units	Tenant rent contributions	BCHMC rent subsidy	BCHMC fixed funding	Other	Total	Operating Costs			Transfer to Replacement Reserve	Debt Charges	Total	
<u>ILBC2 Agreement</u>													
Parry Place	21	\$ 318,555	\$ 244,084	\$ -	\$ 11,141	\$ 573,780	\$ 394,604	\$ 15,840	\$ 207,342	\$ 617,786	\$ (44,006)	\$ 44,006	
<u>CRHC No Operating Agreement</u>													
Village on the Green	38	\$ 365,333	\$ -	\$ -	\$ 777	\$ 366,110	\$ 140,511	\$ -	\$ 154,985	\$ 295,496	\$ 70,614	\$ (70,614)	
Vergo	18	239,345	-	-	-	239,345	64,343	7,000	239,999	311,342	(71,997)	71,997	
	56	\$ 604,678	\$ -	\$ -	\$ 777	\$ 605,455	\$ 204,854	\$ 7,000	\$ 394,984	\$ 606,838	\$ (1,383)	\$ 1,383	
TOTALS	1,286	\$ 9,842,907	\$ -	\$ 3,490,134	\$ 56,735	\$ 13,633,860	\$ 5,878,502	\$ 843,531	\$ 6,617,948	\$ 13,339,981	\$ 293,879	\$ -293,879	