

Financial Statements of

**GREATER VICTORIA
HOUSING SOCIETY**

Year ended December 31, 2018



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

INDEPENDENT AUDITORS' REPORT

To the Directors of Greater Victoria Housing Society

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Greater Victoria Housing Society (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and changes in fund balances 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 are prepared, in all material respects, in accordance with the financial reporting provisions of the agreements between the Entity and Canada Mortgage and Housing Corporation ("CMHC") and British Columbia Housing Management Commission ("BCHMC").

Basis for Opinion

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

We are independent of the Entity 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 – Financial Reporting Framework

We draw attention to Note 1 in the financial statements, which describes the basis of accounting.

The financial statements are prepared to assist the Entity to comply with the reporting provisions of the agreements referred to above.



As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

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 the financial reporting provisions of the agreements with CMHC and BCHMC, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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

Report on other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
April 10, 2019

GREATER VICTORIA HOUSING SOCIETY

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 1,298,861	\$ 1,283,250
Short-term investments and term deposits	594,585	108,079
Cash held in trust (note 2)	31,133	31,133
Accounts receivable	2,122,835	143,651
Prepaid expenses	60,127	54,341
	<u>4,107,541</u>	<u>1,620,454</u>
Replacement Reserve Fund:		
Cash	161,605	138,826
Short-term investments and term deposits	1,865,394	2,297,985
Capital assets (note 3)	50,391,853	43,138,815
	<u>\$ 56,526,393</u>	<u>\$ 47,196,080</u>
Liabilities		
Current liabilities:		
Accrued mortgage interest payable	\$ 71,330	\$ 78,603
Accounts payable and accrued liabilities	2,290,298	701,375
Current portion of mortgages payable (note 4)	1,607,943	4,803,409
Deferred revenue	148,470	151,939
Due to BCHMC (note 5)	7,660,830	651,511
	<u>11,778,871</u>	<u>6,386,837</u>
Mortgages payable (note 4)	28,523,997	27,103,014
Forgivable loans (note 6)	4,068,939	2,268,705
Loans payable – Townley Lodge (note 7)	110,000	316,126
Loan payable – Grafton Lodge (note 8)	106,350	126,766
	<u>44,588,157</u>	<u>36,201,448</u>
Fund Balances		
Operating Fund:		
Externally restricted	(791,751)	(695,335)
Internally restricted (note 9)	1,028,218	517,269
	<u>236,467</u>	<u>(178,066)</u>
Capital Fund:		
Invested in capital assets	9,289,688	8,617,540
Externally restricted	385,082	118,347
	<u>9,674,770</u>	<u>8,735,887</u>
Replacement Reserve Fund (schedule 2):		
Externally restricted	1,368,466	1,521,354
Internally restricted	658,533	915,457
	<u>2,026,999</u>	<u>2,436,811</u>
	<u>11,938,236</u>	<u>10,994,632</u>
Contingency (notes 6 and 10(b))		
Commitments (notes 6 and 14)		
	<u>\$ 56,526,393</u>	<u>\$ 47,196,080</u>

See accompanying notes to financial statements.

Approved on Behalf of the Board:

_____ Director

_____ Director

GREATER VICTORIA HOUSING SOCIETY

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2018, with comparative information for 2017

	Operating Fund (Schedule 1)	Restricted Funds		Total 2018	Total 2017
		Capital Fund	Replacement Reserve Fund (Schedule 2)		
Revenue:					
Tenant rent contributions	\$ 4,450,938	\$ -	\$ -	\$ 4,450,938	\$ 4,475,838
Rent supplements (note 10(a))	1,587,944	-	-	1,587,944	1,561,043
Interest reduction grants (note 10(a))	34,693	-	-	34,693	43,506
Island Health services paid by tenants	16,944	-	-	16,944	79,537
Island Health subsidy	133,651	-	-	133,651	143,696
Laundry	83,798	-	-	83,798	88,006
Heat and light recovery	36,106	-	-	36,106	38,355
Cable recovery	219,679	-	-	219,679	221,040
Investment income	63,337	-	37,252	100,589	74,627
Loan forgiveness - Pembroke Mews (note 6(a))	-	40,000	-	40,000	40,000
Unrealized gain (loss) on investments	-	-	(99,299)	(99,299)	62,983
Development grants	-	554,000	-	554,000	-
Other	278,148	2,333	-	280,481	359,511
	6,905,238	596,333	(62,047)	7,439,524	7,188,142
Expenses:					
Amortization	1,597,053	-	-	1,597,053	1,587,700
Mortgage interest	912,252	-	-	912,252	969,178
Janitor - maintenance salaries	745,797	-	-	745,797	736,120
Administration	682,108	-	-	682,108	620,193
Heat, hydro and hot water	425,817	-	-	425,817	458,129
Maintenance	440,292	-	-	440,292	390,426
Replacement reserve expenditures	-	-	356,501	356,501	235,028
Property taxes	164,662	-	-	164,662	243,974
Water	283,376	-	-	283,376	269,828
Cablevision	214,188	-	-	214,188	215,586
Island Health expenses	90,909	-	-	90,909	209,674
Garbage	204,315	-	-	204,315	185,425
Insurance	165,415	-	-	165,415	139,475
Other	25,678	-	-	25,678	71,062
Audit and legal	32,845	-	-	32,845	29,374
Capital improvements	221,416	-	-	221,416	292,466
Replacement reserve allocation	338,718	-	(338,718)	-	-
	6,544,841	-	17,783	6,562,624	6,653,638
Excess (deficiency) of revenue over expenses, before the following	360,397	596,333	(79,830)	876,900	534,504
Write down of capital assets - Townley Lodge	-	-	-	-	(228,365)
Recovery of deficit (note 10(b))	66,704	-	-	66,704	55,120
Excess (deficiency) of revenue over expenses	427,101	596,333	(79,830)	943,604	361,259
Fund balances, beginning of year	(178,066)	8,735,887	2,436,811	10,994,632	10,633,373
Interfund transfers:					
Capital - amortization, principal payments, purchases	(342,550)	342,550	-	-	-
Replacement reserve fund transfer to operating fund	329,982	-	(329,982)	-	-
Fund balances, end of year	\$ 236,467	\$ 9,674,770	\$ 2,026,999	\$ 11,938,236	\$ 10,994,632

See accompanying notes to financial statements.

GREATER VICTORIA HOUSING SOCIETY

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses:		
Operating Fund	\$ 427,101	\$ 245,928
Capital Fund	596,333	(87,835)
Replacement Reserve Fund	(79,830)	203,166
Items not involving cash:		
Amortization of capital assets	1,597,053	1,587,700
Loan forgiveness - Pembroke Mews	(40,000)	(40,000)
Unrealized loss (gain) on investments	99,299	(62,983)
Write down of capital assets - Townley Lodge	-	228,365
Change in non-cash operating working capital:		
Accounts receivable	(1,979,184)	(52,216)
Prepaid expenses	(5,786)	(1,483)
Accrued mortgage interest payable	(7,273)	(4,440)
Accrued interest on loans payable	-	6,126
Accounts payable and accrued liabilities	1,588,923	133,794
Deferred revenue	(3,469)	(19,497)
	<u>2,193,167</u>	<u>2,136,625</u>
Investing activities:		
Purchase of capital assets	(8,850,091)	(2,109,842)
Increase in investments	(153,214)	(454,378)
	<u>(9,003,305)</u>	<u>(2,564,220)</u>
Financing activities:		
Principal repayments of mortgages	(1,774,483)	(1,760,350)
Increase in due to BC Housing	7,009,319	651,511
Repayment of loans payable	(226,542)	(19,276)
Proceeds from forgivable loans	1,840,234	1,395,372
	<u>6,848,528</u>	<u>267,257</u>
Increase (decrease) in cash	38,390	(160,338)
Cash, beginning of the year	1,453,209	1,613,547
Cash, end of year	<u>\$ 1,491,599</u>	<u>\$ 1,453,209</u>
Comprised of:		
Cash	\$ 1,298,861	\$ 1,283,250
Cash held in trust	31,133	31,133
Replacement reserve fund cash	161,605	138,826
	<u>\$ 1,491,599</u>	<u>\$ 1,453,209</u>

See accompanying notes to financial statements.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

Greater Victoria Housing Society (the "Society") is incorporated under the Society Act (British Columbia) and transitioned to the new Societies Act (British Columbia) on June 21, 2017. Its principal activity is to provide subsidized and low cost rental housing to low income households. The Society is a registered charity under the Income Tax Act.

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook except for the requirements in the Society's agreements with Canada Mortgage and Housing Corporation and British Columbia Housing Management Commission as described in the basis of accounting note 1(a) below.

1. Significant accounting policies:

(a) Basis of accounting:

These financial statements have been prepared in accordance with the significant accounting policies set out below in order to comply with the financial reporting criteria in the Society's agreements with the Canada Mortgage and Housing Corporation ("CMHC") and the British Columbia Housing Management Commission ("BCHMC"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations because:

- (i) Amortization is not provided on prepaid land leases, buildings, and furniture and equipment over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the related mortgages with the exception of the land lease on Grafton Lodge and the assets owned directly in the Society.
- (ii) Capital assets purchased from the Replacement Reserve Fund are charged against the replacement fund rather than being capitalized on the statement of financial position and amortized over their estimated useful lives.
- (iii) Building renovation costs and capital assets are charged to operations in the year the expenditure is incurred rather than being capitalized and amortized over their estimated useful lives unless an exception is granted by BCHMC.
- (iv) A reserve for future capital replacements is appropriated annually from operations and recorded as an expense.
- (v) Forgivable loans are recognized as liabilities in the year the funds are received and amortized over the forgiveness term or upon confirmation from CMHC rather than being recognized as grant revenue when entitled to receipt of the loan.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Fund accounting:

The Society follows the restricted fund method of accounting for contributions. Accordingly, the transactions of the Society are recorded in three funds as follows:

(i) Operating Fund:

The Operating Fund accounts for the Society's assets, liabilities and transactions relating to the ongoing rental and non-rental operations.

(ii) Capital Fund:

The Capital Fund accounts for the Society's investment in capital assets and related financial activities.

(iii) Replacement Reserve Fund:

In accordance with the provision of the agreements with CMHC and BCHMC, a Replacement Reserve Fund has been established for each building under an operating agreement to pay for the replacement of worn-out capital equipment and certain painting expenditures. The provision to this Fund is an annual charge against rental operations. The Society, at its discretion, has established a Replacement Reserve Fund for Forest Heights, Dahli Place, Esquimalt Lion's Lodge, and Pembroke Mews.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in excess (deficiency) of revenue over expenses in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. There are no other financial instruments designated to be carried at fair value.

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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(d) Capital assets:

(i) Land, prepaid land leases, landscaping and site improvements, buildings, furniture and equipment are recorded at cost less accumulated amortization.

(ii) Amortization:

Amortization on prepaid land leases, buildings and furniture and equipment is provided at an amount equal to the annual principal reduction of the related mortgages with the exception of the land lease on Grafton Lodge which is amortized on a straight-line basis over 35 years. Amortization on leasehold improvements is provided over the term of the lease. Amortization on laundry equipment is provided over the estimated useful life of the equipment of 12 years. Amortization expense is recorded in the Operating Fund.

(iii) Construction in progress is not amortized until the asset is put into use.

When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual amount.

(e) Revenue recognition:

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 in which the related expenses are incurred. All other restricted contributions are recognized as revenues of the appropriate restricted fund in the year received or receivable.

(f) Allocation of expenses:

The Society allocates certain of its office, audit and legal and administration/maintenance salary and benefit expenses proportionately across the buildings based on the total number of units in each building.

The Society allocates salaries and administration costs related to development activities to capital assets.

(g) 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results could differ from these estimates

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

2. Cash held in trust:

Cash held in trust is held by BCHMC for the payment of construction costs for Dahli Place. Any remaining funds after the payout of the construction costs will be used to reduce the mortgage payable for Dahli Place.

3. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net	Net
Balmoral Garden Court:				
Land lease prepaid for 60 years	\$ 298,959	130,699	168,260	183,215
Building	5,282,374	2,309,532	2,972,842	3,237,259
	5,581,333	2,440,231	3,141,102	3,420,474
West Saanich Road 7247:				
Land	1,205,408	-	1,205,408	1,205,408
Development in progress	2,221,137	-	2,221,137	221,877
	3,426,545	-	3,426,545	1,427,285
Campbell Lodge:				
Land	2,452,727	-	2,452,727	2,452,727
Building	2,517,895	655,366	1,862,529	1,914,125
Furniture and equipment	95,697	24,908	70,789	72,750
Landscaping and site improvement	21,290	-	21,290	21,290
	5,087,609	680,274	4,407,335	4,460,892
Colwood Lodge:				
Land	1,273,304	-	1,273,304	1,273,304
Building	1,673,113	1,419,786	253,327	306,617
Furniture and equipment	55,492	47,090	8,402	10,170
Redevelopment	54,786	-	54,786	-
	3,056,695	1,466,876	1,589,819	1,590,091
Constance Court:				
Land	500,565	-	500,565	500,565
Building	3,440,970	2,181,223	1,259,747	1,424,650
Furniture and equipment	79,144	50,169	28,975	32,768
	4,020,679	2,231,392	1,789,287	1,957,983
Dahli Place:				
Land	2,734,179	-	2,734,179	2,734,179
Building	10,309,771	621,972	9,687,799	9,875,907
	13,043,950	621,972	12,421,978	12,610,086
Dowler Lodge:				
Land	818,159	-	818,159	818,159
Building	3,674,753	2,739,892	934,861	1,120,711
Furniture and equipment	1,367	1,019	348	417
	4,494,279	2,740,911	1,753,368	1,939,287
Esquimalt Lions' Lodge:				
Land	73,459	-	73,459	73,459
Building	759,999	406,167	353,832	353,832
Furniture and equipment	32,835	17,549	15,286	15,286
Elevated walkway	45,420	24,273	21,147	21,147
Redevelopment	70,694	-	70,694	-
	982,407	447,989	534,418	463,724

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

3. Capital assets (continued):

			2018	2017
	Cost	Accumulated amortization	Net	Net
Forest Heights:				
Land	892,961	-	892,961	892,961
Building	1,183,637	345,893	837,744	865,771
Redevelopment	48,105	-	48,105	-
	2,124,703	345,893	1,778,810	1,758,732
Grafton Lodge:				
Land lease prepaid for 35 years	345,600	126,900	218,700	229,500
Building	3,553,238	1,044,151	2,509,087	2,584,128
Furniture and equipment	18,457	18,457	-	-
	3,917,295	1,189,508	2,727,787	2,813,628
Goldstream Avenue 330:				
Land	1,394,730	-	1,394,730	-
Development in progress	1,877,431	-	1,877,431	289,289
	3,272,161	-	3,272,161	289,289
Nigel Square:				
Land lease prepaid for 60 years	301,240	157,026	144,214	160,965
Building	1,290,578	672,738	617,840	689,606
Nigel Valley Development in progress	152,910	-	152,910	58,809
	1,744,728	829,764	914,964	909,380
Pembroke Mews:				
Land	799,243	-	799,243	799,243
Building	2,346,499	220,088	2,126,411	2,162,088
Equipment	93,548	8,776	84,772	86,195
	3,239,290	228,864	3,010,426	3,047,526
Sitkum Lodge:				
Land	1,564,797	-	1,564,797	1,564,797
Building	3,937,351	3,299,744	637,607	833,909
Furniture and equipment	73,192	61,339	11,853	15,502
	5,575,340	3,361,083	2,214,257	2,414,208
Sutcliffe Court:				
Land	140,801	-	140,801	140,801
Building	197,144	77,268	119,876	144,683
	337,945	77,268	260,677	285,484
Tillicum Terrace:				
Land	870,232	-	870,232	870,232
Building	3,213,988	1,569,568	1,644,420	1,816,458
	4,084,220	1,569,568	2,514,652	2,686,690
Townley Lodge:				
Land	11,388	-	11,388	11,388
Redevelopment in progress	4,404,842	-	4,404,842	807,722
	4,416,230	-	4,416,230	819,110

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

3. Capital assets (continued):

			2018	2017
	Cost	Accumulated amortization	Net	Net
Prosser Road:				
Development in progress	3,153	-	3,153	-
	3,153	-	3,153	-
Society:				
Leasehold improvement	162,633	73,796	88,837	103,621
Laundry equipment	183,338	57,291	126,047	141,325
	345,971	131,087	214,884	244,946
	\$ 68,754,533	18,362,680	50,391,853	43,138,815

4. Mortgages payable:

	2018	2017
Balmoral Garden Court:		
2.81% Mortgage with CMHC, due September 1, 2023 payable \$30,933 per month to include principal and interest	\$ 3,141,293	\$ 3,420,498
Campbell Lodge:		
8% Mortgage with CMHC, due June 1, 2028, payable \$9,808 per month to include principal and interest	785,684	839,241
Campbell Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$10,612 per month to include principal and interest	2,164,321	2,243,547
Colwood Lodge:		
3.54% Mortgage with CMHC, due July 1, 2018, payable \$7,968 per month to include principal and interest	-	55,057
Colwood Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$5,067 per month to include principal and interest	1,144,324	1,179,755
Constance Court:		
2.25% Mortgage with the CMHC, due December 1, 2021, payable \$16,955 per month to include principal and interest	1,460,512	1,629,207
Constance Court:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$959 per month to include principal and interest	260,547	266,304
Dahli Place:		
2.76% Mortgage with MCAP, due July 1, 2025, payable \$37,814 per month to include principal and interest	9,578,028	9,766,137
Dowler Lodge:		
2.61% Mortgage with CHMC, due November 1, 2023, payable \$18,423 per month to include principal and interest	1,019,431	1,205,351
Dowler Lodge:		
2.19% Mortgage with MCAP due March 1, 2025 payable \$2,619 per month to include principal and interest	662,378	679,163

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

4. Mortgages payable (continued):

	2018	2017
Forest Heights:		
3.45% Mortgage with Vancity, due November 13, 2020, payable \$4,281 per month to include principal and interest	666,277	694,304
Grafton Lodge:		
3.43% Mortgage with MCAP, due April 1, 2024 payable \$12,718 per month to include principal and interest	2,236,924	2,311,965
Nigel Square:		
2.93% Mortgage with CMHC, due August 1, 2021, payable \$9,343 per month to include principal and interest	762,052	850,570
Pembroke Mews:		
3.19% Mortgage with MCAP, due March 1, 2022 payable \$7,688 per month to include principal and interest	1,721,137	1,758,237
Sitkum Lodge:		
2.71% Mortgage with CMHC, due February 1, 2019, payable \$16,982 per month to include principal and interest	33,940	233,890
Sitkum Lodge:		
3.26% Mortgage with MCAP, due February 1, 2022 payable \$2,855 per month to include principal and interest	366,857	388,859
Sitkum Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$6,394 per month to include principal and interest	1,398,440	1,444,139
Sutcliffe Court:		
1.3% Mortgage with CMHC, due December 1, 2020, payable \$2,212 per month to include principal and interest	120,112	144,919
Sutcliffe Court:		
2.41% Mortgage with Peoples Trust, due May 1, 2026, payable \$536 per month to include principal and interest	132,634	135,855
Tillicum Terrace:		
2.61% Mortgage with CMHC, due December 1, 2023, payable \$19,756 per month to include principal and interest	2,009,498	2,181,535
Tillicum Terrace:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$1,720 per month to include principal and interest	467,551	477,890
	30,131,940	31,906,423
Current portion of long-term debt	1,607,943	4,803,409
	\$ 28,523,997	\$ 27,103,014

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

4. Mortgages payable (continued):

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

	Assuming no mortgage renewal	Assuming mortgage renewal
2019	\$ 1,607,943	\$ 1,607,943
2020	1,694,544	1,625,020
2021	3,054,788	1,668,876
2022	3,241,534	1,719,835
2023	2,910,842	1,753,494

5. Due to BCHMC:

The Society has agreements with BCHMC for West Saanich Road 7247, Townley Street 1780, Goldstream Avenue 330, and Nigel Valley for funding predevelopment and development costs of the respective properties.

	Maximum loan amount	2018	2017
West Saanich Road 7247	\$ 4,500,000	\$ 1,962,612	\$ 94,000
Townley Street 1780	6,514,112	4,070,935	457,581
Goldstream Avenue 330	10,400,441	1,516,857	99,930
Nigel Valley	483,000	110,426	-
	\$ 21,897,553	\$ 7,660,830	\$ 651,511

(a) West Saanich Road 7247, Townley Street 1780, and Goldstream Avenue 330:

If the Society continues to develop, use and operate the above properties for the intended purposes as required by BCHMC, commencing the 1st day of the 11th year the loans will be forgiven at a rate equal to 1 divided by the number of years remaining in the term.

(b) Nigel Valley:

During 2017, the Society entered into an agreement with BCHMC for an interest free loan for Proposal Development Funding. The funds advanced under this agreement will be repayable to BCHMC on demand at the discretion of BCHMC, and will form part of any approved financing provided to the Society by BCHMC for the development of the property. The total loan advanced will be repaid to BCHMC, in full, from the proceeds of the initial advance of the approved first mortgage.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

6. Forgivable loans:

	2018	2017
Pembroke Mews - Loan payable to CMHC (Residential Rehabilitation Assistance Program "RRAP")	\$ 333,333	\$ 373,333
Dahli Place	500,000	500,000
West Saanich Road 7247	1,200,000	1,200,000
Goldstream Avenue 330	1,395,000	-
Campbell Lodge	450,606	195,372
Forest Heights	190,000	-
	<u>\$ 4,068,939</u>	<u>\$ 2,268,705</u>

(a) Pembroke Mews:

The RRAP loan payable to CMHC is authorized up to \$600,000, of which \$600,000 has been drawn. The loan terms state that the loan will be forgiven if the Society continues to charge rents in accordance with the approved post-RRAP rents and limit subsequent rental increases. The forgivable loan will be earned over 15 years from the first day of the month, following the final advance of the loan funds. The final loan advance was received in April 2012 and accordingly loan forgiveness of \$40,000 (2017 - \$40,000) has been recognized during the year ended December 31, 2018 (\$40,000 per year). If the Society is in default of any of the loan terms it will be required to repay the loan including interest at 6.75%.

(b) Dahli Place:

During 2015, BCHMC provided the Society with a forgivable loan of \$500,000 for Dahli Place. If the Society uses the land for the intended purpose as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year (2026).

(c) West Saanich Road 7247:

During 2017, BCHMC provided the Society with a loan of \$1,200,000 to facilitate the purchase of the property located at 7247 West Saanich Road, Brentwood Bay. If the Society uses the land for the intended purpose as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year (2028). Payments of interest are not required unless there is a default under the Loan or Operating Agreement at which time interest will be payable on the balance of the principle outstanding as at the date of default at a rate of prime plus 2%.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

6. Forgivable loans (continued):

(d) Goldstream Avenue 330:

During 2018, BCHMC provided the Society with a loan of \$1,395,000 to facilitate the purchase of the property located at 330 Goldstream Road, Colwood. If the Society uses the land for the intended purpose as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year (2029). Payments of interest are not required unless there is a default under the Loan or Operating Agreement at which time interest will be payable on the balance of the principle outstanding as at the date of default at a rate of prime plus 2%.

(e) Campbell Lodge:

During 2017, BCHMC approved the Society to borrow up to \$500,000 for the renovation and/or repair of Campbell Lodge. If the Society uses the funds for the intended purpose as required by BCHMC, the loan will be forgiven 1/10 each year, commencing in the 1st year. Payments of interest are not required unless there is a default under the Loan or Operating Agreement at which time interest will be payable on the balance of the principle outstanding as at the date of default at a rate of prime plus 2%. As of December 31, 2018, \$450,606 (2017 - \$195,372) of these funds had been drawn.

(f) Forest Heights:

The Society was provided a forgivable mortgage from BCHMC registered on July 14, 2010 for the purchase of Forest Heights. If the Society uses the land for the intended purpose as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year (2021).

7. Loans payable – Townley Lodge:

	2018	2017
Loan payable to CMHC - Seed Loan	\$ 10,000	\$ 10,000
Loan payable to CMHC - Proposal Development Funding	100,000	100,000
Loan payable to Vancity - Pre-Development Funds	-	206,126
	<u>\$ 110,000</u>	<u>\$ 316,126</u>

The Society obtained financing for the Townley Lodge redevelopment project in the form of a \$10,000 Seed loan from CMHC. The loan is to be repaid at the time of capital financing for the project. There are no stated interest terms associated with the loan.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

7. Loans payable – Townley Lodge (continued):

CMHC provided the Society with a Proposal Development Funding Loan in the amount of \$100,000 to be used towards the Townley redevelopment project. The funding is in the form of an interest free repayable loan. A portion of the loan varying from 20 - 100% will be forgiven if certain conditions are met. The loan, less the forgivable portion, is to be repaid at the time of construction financing. Although construction Financing was granted during 2018, as at year end the Society was in negotiations to determine what portion of the loan will be forgivable. Once the forgivable portion is determined, the loan, less the forgivable portion, is to be repaid.

The Vancity Pre-Development Funds loan was repaid June 1, 2018. The interest rate on the loan up to the repayment date was 2%.

8. Loan payable - Grafton Lodge:

The Society is required to commence repaying this amount representing repayable assistance for Grafton Lodge in the year following the fiscal year in which the aggregate of the rents payable by non-rent geared to income tenants exceeds the aggregate of the economic rent occupied by non-rent geared to income tenants. The repayment criteria were met in 2015 therefore the Society began repaying this amount in 2016.

The Society is required to pay interest at bank prime rate on the repayable assistance upon commencement of the repayment. Interest of \$3,668 (2017 - \$3,632) was paid on the repayable assistance during the year. The Society repaid \$24,084 (2017 - \$19,276) of the repayable assistance during the year.

9. Operating Fund - internally restricted:

The Society's Board of Directors has internally restricted \$1,028,218 (2017 - \$517,269) of the Society's operating fund balance for working capital and future rental accommodation projects. The internally restricted amounts consist of the net operating fund balance of Forest Heights, Dahli Place, Esquimalt Lion's Lodge, Pembroke Mews, and the Society's operating fund balance ("Other" fund per Schedule 1), which are not restricted by BCHMC or CMHC operating agreements. The internally restricted amounts are not to be used for any other purpose without approval by the Board of Directors.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

10. Rent supplements and interest reduction grants:

- (a) Rent supplements received are either contributed jointly by CMHC and BCHMC or funded wholly by BCHMC. All supplements received are administered through the BCHMC. Interest reduction grants are received for Colwood and Sitkum Lodges from CMHC to subsidize interest payments in excess of 2% per annum, calculated on the approved capital costs.
- (b) In accordance with the arrangements with BCHMC, surpluses created in Colwood and Sitkum Lodges are refundable, firstly to BCHMC up to the rent supplements contributed and, secondly, to CMHC. Surpluses created in Balmoral Court, Campbell Lodge, Dowler Lodge, Constance Court, Nigel Square, Sutcliffe Court and Tillicum Terrace are refundable only to BCHMC. Any deficits created in these projects are funded by BCHMC. The financial statement reviews for the Society's 2017 fiscal year were finalized by BCHMC in fiscal 2018 and accordingly recorded in the Society's financial statements as recovery (repayment) of surplus/deficit in the statement of operations.

11. Financial risks and concentration of credit risk:

- (a) Market risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Society's investments in the Replacement Reserve Fund are carried at fair value with fair value changes recognized in the statement of operations, all changes in market conditions will directly result in an increase or decrease in fund balances. Market price risk is managed by the Society's investment manager through construction of a diversified portfolio of instruments traded on various markets and across various industries. The Society is not exposed to currency risk as all financial instruments are held in Canadian dollars. There has been no change to the risk exposures from 2017.

- (b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2017.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

11. Financial risks and concentration of credit risk (continued):

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There has been no change to the risk exposures from 2017.

(d) Interest rate risk:

The Society's exposure to interest rate risk relates to its current and future anticipated borrowings. The Society has interest bearing mortgages and loans which are subject to interest rate adjustments upon maturity. Fixed-interest instruments subject the Society to a fair value risk while floating-rate instruments subject it to a cash flow risk. Further details about the fixed rate mortgages and loans are included in note 4. There has been no change to the risk exposures from 2017.

12. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$5,104 (2017 - \$16,596), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

13. Employee and contractor remuneration:

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending December 31, 2018, the Society paid remuneration of \$414,749 to 4 employees (2017 - \$401,256 to 4 employees), each of whom received total annual remuneration of \$75,000 or greater. There were no remuneration payments made to directors in 2018 or 2017.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

14. Commitments:

The Society is committed to make payments under operating leases for premises as follows:

	Payment
2019	\$ 41,020
2020	41,020
2021	41,020
	<hr/> \$ 123,060 <hr/>

The Society has total construction commitments of \$42,210,150 in design and construction contracts funded by BCHMC for the ongoing development of 1780 Townley Street, 330 Goldstream Ave, 7247 West Saanich Road, 874 Fleming Street, 85 Belmont Road and the Nigel Valley Site.

15. Comparative information:

Certain comparative information has been reclassified to conform to presentation adopted in the current year.

GREATER VICTORIA HOUSING SOCIETY

Schedule of Operations

Schedule 1 - page 1 of 2

Year ended December 31, 2018, with comparative information for 2017

	Balmoral Court		Campbell Lodge		Colwood Lodge		Constance Court		Dahli Place		Dowler Lodge		Esquimalt Lion's Lodge		Forest Heights		Grafton Lodge	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue:																		
Tenant rent contributions	458,732	455,511	521,419	502,999	282,231	236,404	234,853	224,082	834,268	824,131	293,979	283,922	326,540	323,226	171,118	168,356	268,846	265,920
Rent supplements (note 10(a))	281,874	287,471	131,682	131,849	79,846	89,553	173,780	165,343	-	-	252,468	238,472	-	-	-	-	54,724	50,999
Interest reduction grants (note 10(a))	-	-	-	-	12,338	21,151	-	-	-	-	-	-	-	-	-	-	-	-
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,944	79,537
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,651	143,696
Laundry	15,073	15,063	7,436	7,892	4,685	4,755	3,605	3,975	6,791	6,544	6,187	6,450	6,237	6,570	3,133	2,773	2,833	2,163
Heat and light recovery	-	-	17,865	16,894	4,451	7,810	-	27	120	100	-	-	-	-	-	-	-	-
Cable recovery	-	-	46,882	43,915	23,973	22,692	24,873	23,329	-	-	31,840	29,858	34,521	34,348	-	-	17,658	16,937
Investment income	-	-	-	-	-	-	-	-	-	157	-	-	-	-	2,775	1,112	-	-
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	17,028	19,488	5,619	2,770	4,526	3,505	3,004	1,873	29,414	30,056	3,075	3,179	4,098	3,268	3,705	4,163	4,101	3,138
	772,707	777,533	730,903	706,319	412,050	385,870	440,115	418,629	870,593	860,988	587,549	561,881	371,396	367,412	180,731	176,404	498,757	562,390
Expenses:																		
Amortization	279,206	271,546	53,557	49,516	55,057	91,929	168,696	164,972	188,108	183,022	185,920	179,274	-	-	28,027	27,090	85,841	83,332
Mortgage interest	91,765	99,263	112,344	117,844	26,183	29,645	40,482	44,200	265,539	270,528	54,420	62,222	442	235	23,451	24,254	81,254	83,625
Janitor - maintenance salaries	85,715	81,486	93,820	94,776	55,469	48,617	49,624	45,078	65,806	61,794	66,077	65,098	74,631	74,231	20,330	14,382	43,149	32,251
Administration	67,484	62,290	90,630	80,069	44,531	42,908	46,472	42,977	61,067	55,638	60,457	55,210	69,665	61,885	16,859	12,510	35,069	30,976
Heat, hydro and hot water	40,246	44,407	79,768	86,503	45,314	40,786	19,254	19,792	22,335	25,357	33,707	34,907	41,226	40,744	7,227	9,414	19,258	31,093
Maintenance	50,865	49,735	40,622	48,685	16,124	18,116	30,183	19,903	27,877	22,054	36,105	26,926	32,789	35,315	8,351	14,897	31,542	22,859
Replacement reserve allocation	53,280	53,280	25,918	25,918	12,000	12,000	6,240	6,240	61,200	48,960	23,760	23,760	46,200	30,000	20,000	20,000	-	-
Property taxes	21,032	34,061	24,540	33,022	17,131	20,376	13,881	16,471	24,388	29,174	17,679	29,949	-	-	4,545	10,168	5,940	4,552
Water	39,335	38,264	31,240	26,441	8,407	11,292	13,355	9,528	24,106	21,286	29,436	25,823	11,708	9,721	11,834	8,955	6,707	6,698
Cablevision	-	-	45,352	42,277	23,539	21,766	24,248	23,152	-	-	29,449	26,292	35,723	33,434	-	-	17,260	15,446
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,909	209,674
Garbage	28,133	21,869	20,652	17,123	14,038	12,569	12,454	12,468	20,337	17,323	14,112	12,808	21,133	16,413	8,379	7,243	13,198	11,233
Insurance	22,229	16,301	20,362	17,101	9,047	7,350	11,448	8,844	16,469	14,704	15,972	13,150	11,124	9,521	5,528	3,620	11,409	8,510
Other	747	806	1,052	1,167	299	430	949	1,528	8,933	9,039	543	831	5,547	1,381	2,108	1,988	479	2,640
Audit and legal	3,212	2,892	4,202	3,759	2,091	2,024	2,081	2,024	2,848	2,567	2,757	2,503	3,382	3,176	798	593	1,636	1,482
Capital improvements	4,333	10,517	217,083	281,949	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	787,582	786,717	861,142	926,150	329,230	359,808	439,367	417,177	789,013	761,446	570,394	558,753	353,570	316,056	157,437	155,114	443,651	544,371
Excess (deficiency) of revenue over expenses before the following	(14,875)	(9,184)	(130,239)	(219,831)	82,820	26,062	748	1,452	81,580	99,542	17,155	3,128	17,826	51,356	23,294	21,290	55,106	18,019
Recovery (repayment) of deficit (surplus) (note 10(b))	9,804	(13,999)	-	(16,399)	7,994	17,519	4,495	9,684	-	-	11,675	18,738	-	-	-	-	-	-
Adjustment of prior year's revenue and expenses funded by the Society	(620)	(10,762)	121,317	-	612	23,774	(314)	3,730	-	-	1,620	19,476	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses	(5,691)	(33,945)	(8,922)	(236,230)	91,426	67,355	4,929	14,866	81,580	99,542	30,450	41,342	17,826	51,356	23,294	21,290	55,106	18,019
Fund balance, beginning of year	(9,184)	24,761	(403,266)	(89,517)	(8,606)	(41,293)	(4,181)	(13,414)	352,205	252,663	(13,295)	(38,214)	41,520	(9,836)	(3,402)	(24,692)	42,390	13,571
Interfund transfers:																		
Capital - amortization, principal payments, purchases	-	-	(79,226)	(77,519)	(35,431)	(34,668)	(5,756)	(5,633)	-	-	(16,785)	(16,423)	-	-	-	-	10,800	10,800
Transfer from replacement reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ (14,875)	\$ (9,184)	\$ (491,414)	\$ (403,266)	\$ 47,389	\$ (8,606)	\$ (5,008)	\$ (4,181)	\$ 433,785	\$ 352,205	\$ 370	\$ (13,295)	\$ 59,346	\$ 41,520	\$ 19,892	\$ (3,402)	\$ 108,296	\$ 42,390

GREATER VICTORIA HOUSING SOCIETY

Schedule of Operations

Schedule 1 - page 2 of 2

Year ended December 31, 2018, with comparative information for 2017

	Nigel Square		Pembroke		Sitkum Lodge		Sutcliffe Court		Tillicum Terrace		Townley Lodge		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue:																
Tenant rent contributions	111,472	123,270	219,452	216,758	380,206	372,354	53,927	52,496	293,895	290,327	-	136,082	-	-	4,450,938	4,475,838
Rent supplements (note 10(a))	111,640	100,174	-	-	245,876	238,640	34,323	38,018	221,731	220,524	-	-	-	-	1,587,944	1,561,043
Interest reduction grants (note 10(a))	-	-	-	-	22,355	22,355	-	-	-	-	-	-	-	-	34,693	43,506
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,944	79,537
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,651	143,696
Laundry	-	-	1,548	1,800	9,457	9,945	-	-	1,535	3,185	-	1,613	15,278	15,278	83,798	88,006
Heat and light recovery	-	-	-	-	13,350	13,134	-	-	320	360	-	30	-	-	36,106	38,355
Cable recovery	-	-	-	-	35,412	33,614	4,520	4,560	-	-	-	11,787	-	-	219,679	221,040
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	60,562	25,676	63,337	26,945
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	275	50	25	75	4,733	3,920	-	-	13,368	7,023	-	2,198	185,177	174,275	278,148	258,981
	<u>223,387</u>	<u>223,494</u>	<u>221,025</u>	<u>218,633</u>	<u>711,389</u>	<u>693,962</u>	<u>92,770</u>	<u>95,074</u>	<u>530,849</u>	<u>521,419</u>	<u>-</u>	<u>151,710</u>	<u>261,017</u>	<u>215,229</u>	<u>6,905,238</u>	<u>6,936,947</u>
Expenses:																
Amortization	88,517	85,986	37,099	35,944	200,119	194,642	24,807	24,488	172,037	165,897	-	-	30,062	30,062	1,597,053	1,587,700
Mortgage interest	23,479	25,975	55,205	56,291	46,968	53,809	4,971	5,333	85,082	93,179	-	138	667	2,637	912,252	969,178
Janitor - maintenance salaries	20,337	16,498	22,181	20,234	68,366	72,656	12,306	9,352	65,275	64,778	-	34,134	2,711	755	745,797	736,120
Administration	17,598	12,398	22,034	18,628	66,347	61,511	10,228	6,229	48,929	43,081	-	29,835	24,738	4,048	682,108	620,193
Heat, hydro and hot water	1,156	954	5,415	6,032	85,053	79,576	8,687	9,514	17,171	18,336	-	10,714	-	-	425,817	458,129
Maintenance	8,642	11,304	21,040	18,259	54,427	42,807	4,961	8,705	73,301	36,932	-	12,345	3,463	1,584	440,292	390,426
Replacement reserve allocation	12,960	12,960	18,000	16,000	18,000	18,000	3,000	1,731	38,160	37,080	-	21,600	-	-	338,718	327,529
Property taxes	7,556	15,022	24	24	12,501	24,285	2,713	7,647	12,732	19,223	-	-	-	-	164,662	243,974
Water	21,673	20,555	11,196	8,550	40,468	34,771	3,469	3,866	30,442	31,366	-	12,712	-	-	283,376	269,828
Cablevision	-	-	-	-	34,127	31,812	4,490	4,296	-	-	-	17,111	-	-	214,188	215,586
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,909	209,674
Garbage	9,151	8,423	7,057	6,394	17,566	13,487	1,221	1,219	16,884	16,008	-	10,845	-	-	204,315	185,425
Insurance	7,012	5,293	1,539	1,329	16,896	14,414	3,974	3,322	12,406	9,366	-	6,650	-	-	165,415	139,475
Other	209	270	121	147	654	925	98	191	3,260	977	-	2,945	679	45,797	25,678	71,062
Audit and legal	768	578	1,031	889	3,121	2,992	424	289	2,424	2,024	-	1,582	2,070	-	32,845	29,374
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221,416	292,466
	<u>219,058</u>	<u>216,216</u>	<u>201,942</u>	<u>188,721</u>	<u>664,613</u>	<u>645,687</u>	<u>85,349</u>	<u>86,182</u>	<u>578,103</u>	<u>538,247</u>	<u>-</u>	<u>160,611</u>	<u>64,390</u>	<u>84,883</u>	<u>6,544,841</u>	<u>6,746,139</u>
Excess (deficiency) of revenue over expenses before the following	4,329	7,278	19,083	29,912	46,776	48,275	7,421	8,892	(47,254)	(16,828)	-	(8,901)	196,627	130,346	360,397	190,808
Recovery (repayment) of deficit (surplus) (note 10(b))	(8,299)	11,101	-	-	17,356	23,293	(5,418)	(6,992)	29,097	12,175	-	-	-	-	66,704	55,120
Adjustment of prior year's revenue and expenses funded by the Society	1,021	(1,208)	-	-	385	5,080	9	9	(2,162)	22,801	-	-	(121,868)	(62,900)	-	-
Excess (deficiency) of revenue over expenses	<u>(2,949)</u>	<u>17,171</u>	<u>19,083</u>	<u>29,912</u>	<u>64,517</u>	<u>76,648</u>	<u>2,012</u>	<u>1,909</u>	<u>(20,319)</u>	<u>18,148</u>	<u>-</u>	<u>(8,901)</u>	<u>74,759</u>	<u>67,446</u>	<u>427,101</u>	<u>245,928</u>
Fund balance, beginning of year	7,278	(9,893)	132,056	102,144	(406,600)	(438,534)	5,747	6,983	(26,935)	(34,976)	146,764	155,665	(30,557)	29,873	(178,066)	(114,709)
Interfund transfers:																
Capital - amortization, principal payments, purchases	-	-	-	-	(45,699)	(44,714)	(3,222)	(3,145)	(10,339)	(10,107)	-	-	(156,892)	(127,876)	(342,550)	(309,285)
Transfer from replacement reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	329,982	-	329,982	-
Interfund transfer	-	-	-	-	-	-	-	-	-	-	(146,764)	-	146,764	-	-	-
Fund balance, end of year	\$ 4,329	\$ 7,278	\$ 151,139	\$ 132,056	\$ (387,782)	\$ (406,600)	\$ 4,537	\$ 5,747	\$ (57,593)	\$ (26,935)	-	\$ 146,764	\$ 364,056	\$ (30,557)	\$ 236,467	\$ (178,066)

GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2018

	Balance at December 31, 2017	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized gain (loss) on investments	Transfer to Operating Fund	Balance at December 31, 2018
Balmoral	\$ 176,101	\$ -	\$ 53,280	\$ 3,284	\$ 34,025	\$ -	\$ -	\$ 198,640
Campbell Lodge	32,168	-	25,918	1,135	32,940	-	-	26,281
Colwood Lodge	187,608	-	12,000	2,574	6,870	-	-	195,312
Constance Court	274,853	-	6,240	3,681	14,130	-	-	270,644
Dahli Place	139,911	-	61,200	2,623	9,226	-	-	194,508
Dowler Lodge	46,393	-	23,760	1,073	15,942	-	-	55,284
Esquimalt Lions Lodge	328,086	-	46,200	5,308	51,465	-	-	328,129
Forest Heights	36,313	-	20,000	876	13,914	-	-	43,275
Grafton Lodge	398,819	-	-	5,250	22,269	-	-	381,800
Nigel Square	6,790	-	12,960	349	8,247	-	-	11,852
Pembroke Mews	85,227	-	18,000	1,437	12,043	-	-	92,621
Sitkum Lodge	163,646	-	18,000	3,046	62,660	-	-	122,032
Sutcliffe Court	22,135	-	3,000	507	15,505	-	-	10,137
Tillicum Terrace	68,593	-	38,160	2,045	57,265	-	-	51,533
Townley Lodge	325,918	-	-	4,064	-	-	(329,982)	-
Unrealized gain (loss) on investments	144,250	-	-	-	-	(99,299)	-	44,951
	\$ 2,436,811	\$ -	\$ 338,718	\$ 37,252	\$ 356,501	\$ (99,299)	\$ (329,982)	\$ 2,026,999

GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2017

	Balance at December 31, 2016	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized gain (loss) on investments	Transfer to Operating Fund	Balance at December 31, 2017
Balmoral	\$ 152,896	\$ -	\$ 53,280	\$ 4,223	\$ 34,298	\$ -	\$ -	\$ 176,101
Campbell Lodge	9,983	-	25,918	709	4,442	-	-	32,168
Colwood Lodge	184,853	-	12,000	3,684	12,929	-	-	187,608
Constance Court	289,092	-	6,240	5,646	26,125	-	-	274,853
Dahli Place	93,692	-	48,960	2,599	5,340	-	-	139,911
Dowler Lodge	67,623	-	23,760	2,438	47,428	-	-	46,393
Esquimalt Lions Lodge	314,995	-	30,000	6,470	23,379	-	-	328,086
Forest Heights	17,017	-	20,000	674	1,378	-	-	36,313
Grafton Lodge	409,079	-	-	7,496	17,756	-	-	398,819
Nigel Square	4,640	-	12,960	508	11,318	-	-	6,790
Pembroke Mews	68,481	-	16,000	1,497	751	-	-	85,227
Sitkum Lodge	149,210	-	18,000	3,053	6,617	-	-	163,646
Sutcliffe Court	24,308	-	1,731	535	4,439	-	-	22,135
Tillicum Terrace	62,349	-	37,080	2,329	33,165	-	-	68,593
Townley Lodge	304,160	-	21,600	5,821	5,663	-	-	325,918
Unrealized gain on investments	81,267	-	-	-	-	62,983	-	144,250
	\$ 2,233,645	\$ -	\$ 327,529	\$ 47,682	\$ 235,028	\$ 62,983	\$ -	\$ 2,436,811