

Financial Statements of

**GREATER VICTORIA
HOUSING SOCIETY**

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Directors of Greater Victoria Housing Society

Report on the Financial Statements

We have audited the accompanying financial statements of Greater Victoria Housing Society, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of the agreements between Greater Victoria Housing Society and Canada Mortgage and Housing Corporation ("CMHC") and British Columbia Housing Management Commission ("BCHMC").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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.

Auditor's 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 as at December 31, 2017, and for the year then ended are prepared, in all material respects, in accordance with the financial reporting provisions of the agreements between Greater Victoria Housing Society and CMHC and BCHMC.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to note 1(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Greater Victoria Housing Society 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 report is intended solely for the Directors of Greater Victoria Housing Society, CMHC and BCHMC and should not be used by parties other than the Directors of Greater Victoria Housing Society, CMHC or BCHMC.

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 11, 2018

GREATER VICTORIA HOUSING SOCIETY

Statement of Financial Position

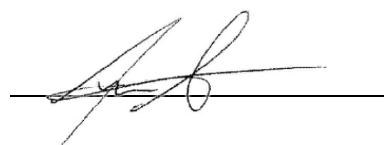
December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 1,391,329	\$ 1,237,629
Cash held in trust (note 2)	31,133	30,976
Accounts receivable	143,651	91,435
Prepaid expenses	54,341	52,858
	1,620,454	1,412,898
Replacement Reserve Fund:		
Cash	30,747	344,942
Short-term investments and term deposits	2,406,064	1,888,703
Capital assets (note 3)	43,138,815	42,845,038
	\$ 47,196,080	\$ 46,491,581
Liabilities		
Current liabilities:		
Accrued mortgage interest payable	\$ 78,603	\$ 83,043
Accounts payable and accrued liabilities	701,375	567,581
Current portion of mortgages payable (note 4)	4,803,409	1,760,377
Deferred revenue	151,939	171,436
Due to BCHMC (note 5)	651,511	-
	6,386,837	2,582,437
Mortgages payable (note 4)	27,103,014	31,906,396
Forgivable loans (note 6)	2,268,705	913,333
Loans payable – Townley Lodge (note 7)	316,126	310,000
Loan payable – Grafton Lodge (note 8)	126,766	146,042
	36,201,448	35,858,208
Fund Balances		
Operating Fund:		
Externally restricted	(695,335)	(531,009)
Internally restricted (note 9)	517,269	416,300
	(178,066)	(114,709)
Capital Fund:		
Invested in capital assets	8,617,540	8,396,090
Externally restricted	118,347	118,347
	8,735,887	8,514,437
Replacement Reserve Fund:		
Externally restricted	1,521,354	1,435,300
Internally restricted (note 9)	915,457	798,345
	2,436,811	2,233,645
	10,994,632	10,633,373
Contingency (notes 6 and 10(b))		
Commitments (notes 6 and 14)		
Subsequent event (note 15)		
	\$ 47,196,080	\$ 46,491,581

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, 2017, with comparative information for 2016

	Restricted Funds			Total 2017	Total 2016
	Operating Fund (Schedule 1)	Capital Fund	Replacement Reserve Fund (Schedule 2)		
Revenue:					
Tenant rent contributions	\$ 4,475,838	\$ -	\$ -	\$ 4,475,838	\$ 4,370,457
Rent supplements (note 10(a))	1,561,043	-	-	1,561,043	1,620,511
Interest reduction grants (note 10(a))	43,506	-	-	43,506	43,505
Island Health services paid by tenants	79,537	-	-	79,537	74,631
Island Health subsidy	143,696	-	-	143,696	150,309
Laundry	88,006	-	-	88,006	88,582
Heat and light recovery	38,355	-	-	38,355	35,092
Cable recovery	221,040	-	-	221,040	208,443
Investment income	26,945	-	47,682	74,627	26,170
Loan forgiveness - Pembroke Mews (note 6(a))	-	40,000	-	40,000	40,000
Replacement reserve contribution from BCHMC	-	-	-	-	113,087
Unrealized gain on investments	-	-	62,983	62,983	74,966
Other	258,981	100,530	-	359,511	337,281
	6,936,947	140,530	110,665	7,188,142	7,183,034
Expenses:					
Amortization	1,587,700	-	-	1,587,700	1,751,599
Mortgage interest	969,178	-	-	969,178	1,029,371
Janitor - maintenance salaries	736,120	-	-	736,120	719,725
Administration	602,810	-	-	602,810	616,582
Heat, hydro and hot water	458,129	-	-	458,129	445,427
Maintenance	390,426	-	-	390,426	356,623
Replacement Reserve expenditures	-	-	235,028	235,028	324,393
Property taxes	243,974	-	-	243,974	254,935
Water	269,828	-	-	269,828	248,183
Cablevision	215,586	-	-	215,586	203,239
Island Health expenses	209,674	-	-	209,674	201,558
Garbage	185,425	-	-	185,425	166,022
Insurance	139,475	-	-	139,475	159,057
Other	71,062	-	-	71,062	93,973
Audit and legal	29,374	-	-	29,374	38,784
Consultant fees	17,383	-	-	17,383	37,842
Capital improvements	292,466	-	-	292,466	16,124
Replacement Reserve allocation	327,529	-	(327,529)	-	-
	6,746,139	-	(92,501)	6,653,638	6,663,437
Excess of revenue over expenses, before the following	190,808	140,530	203,166	534,504	519,597
Write down of capital assets - Townley Lodge	-	(228,365)	-	(228,365)	-
Recovery (repayment) of surplus (deficit) (note 10(b))	55,120	-	-	55,120	(67,634)
Excess of revenue over expenses	245,928	(87,835)	203,166	361,259	451,963
Fund balances, beginning of year	(114,709)	8,514,437	2,233,645	10,633,373	10,181,410
Interfund transfers:					
Capital - amortization, principal payments, purchases	(309,285)	309,285	-	-	-
Fund balances, end of year	\$ (178,066)	\$ 8,735,887	\$ 2,436,811	\$ 10,994,632	\$ 10,633,373

See accompanying notes to financial statements.

GREATER VICTORIA HOUSING SOCIETY

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses:		
Operating Fund	\$ 245,928	\$ 157,893
Capital Fund	(87,835)	87,137
Replacement Reserve Fund	203,166	206,933
Items not involving cash:		
Amortization of capital assets	1,587,700	1,751,599
Loan forgiveness - Pembroke Mews	(40,000)	(40,000)
Unrealized gain on investments	(62,983)	(74,966)
Write down of capital assets - Townley Lodge	228,365	-
Change in non-cash operating working capital:		
Accounts receivable	(52,216)	453,436
Prepaid expenses	(1,483)	18,225
Accrued mortgage interest payable	(4,440)	(5,472)
Accrued interest on loans payable	6,126	-
Accounts payable and accrued liabilities	133,794	3,525
Deferred revenue	(19,497)	(28,335)
	<u>2,136,625</u>	<u>2,529,975</u>
Investing activities:		
Purchase of capital assets	(2,109,842)	(460,321)
Increase in investments	(454,378)	(158,903)
	<u>(2,564,220)</u>	<u>(619,224)</u>
Financing activities:		
Principal repayments of mortgages	(1,760,350)	(1,918,144)
Increase in mortgages	-	140,801
Increase in due from BC Housing	651,511	-
Increase (repayment) of loans payable	(19,276)	296,273
Proceeds from forgivable loans	1,395,372	-
	<u>267,257</u>	<u>(1,481,070)</u>
Increase (decrease) in cash	(160,338)	429,681
Cash, beginning of the year	1,613,547	1,183,866
Cash, end of year	<u>\$ 1,453,209</u>	<u>\$ 1,613,547</u>
Comprised of:		
Cash	\$ 1,391,329	\$ 1,237,629
Cash held in trust	31,133	30,976
Replacement reserve fund cash	30,747	344,942
	<u>\$ 1,453,209</u>	<u>\$ 1,613,547</u>

See accompanying notes to financial statements.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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 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.

(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, 2017

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.

(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, 2017

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:

			2017	2016
	Cost	Accumulated amortization	Net	Net
Balmoral Garden Court:				
Land lease prepaid for 60 years	\$ 298,959	115,744	183,215	197,760
Building	5,282,374	2,045,115	3,237,259	3,494,260
	5,581,333	2,160,859	3,420,474	3,692,020
Brentwood Bay:				
Land	1,205,408	-	1,205,408	-
Development in progress	221,877	-	221,877	42,193
	1,427,285	-	1,427,285	42,193
Campbell Lodge:				
Land	2,452,727	-	2,452,727	2,452,727
Building	2,517,895	603,770	1,914,125	1,961,828
Furniture and equipment	95,697	22,947	72,750	74,563
Landscaping and site improvement	21,290	-	21,290	21,290
	5,087,609	626,717	4,460,892	4,510,408
Colwood Lodge:				
Land	1,273,304	-	1,273,304	1,273,304
Building	1,673,113	1,366,496	306,617	395,594
Furniture and equipment	55,492	45,322	10,170	13,121
	3,001,909	1,411,818	1,590,091	1,682,019
Constance Court:				
Land	500,565	-	500,565	500,565
Building	3,440,970	2,016,320	1,424,650	1,585,913
Furniture and equipment	79,144	46,376	32,768	36,477
	4,020,679	2,062,696	1,957,983	2,122,955
Dahli Place:				
Land	2,734,179	-	2,734,179	2,734,179
Building	10,309,771	433,864	9,875,907	10,058,929
	13,043,950	433,864	12,610,086	12,793,108
Dowler Lodge:				
Land	818,159	-	818,159	818,159
Building	3,674,753	2,554,042	1,120,711	1,299,918
Furniture and equip	1,367	950	417	484
	4,494,279	2,554,992	1,939,287	2,118,561
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
	911,713	447,989	463,724	463,724

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

3. Capital assets (continued):

			2017	2016
	Cost	Accumulated amortization	Net	Net
Forest Heights:				
Land	892,961	-	892,961	892,961
Building	1,183,637	317,866	865,771	892,862
	2,076,598	317,866	1,758,732	1,785,823
Grafton Lodge:				
Land lease prepaid for 35 years	345,600	116,100	229,500	240,300
Building	3,553,238	969,110	2,584,128	2,656,660
Furniture and equipment	18,457	18,457	-	-
	3,917,295	1,103,667	2,813,628	2,896,960
Goldstream:				
Development in progress	289,289	-	289,289	31,291
Nigel Square:				
Land lease prepaid for 60 years	301,240	140,275	160,965	177,237
Building	1,290,578	600,972	689,606	759,320
Development in progress	58,809	-	58,809	10,409
	1,650,627	741,247	909,380	946,966
Pembroke Mews:				
Land	799,243	-	799,243	799,243
Building	2,346,499	184,411	2,162,088	2,196,654
Equipment	93,548	7,353	86,195	87,573
	3,239,290	191,764	3,047,526	3,083,470
Sitkum Lodge:				
Land	1,564,797	-	1,564,797	1,564,797
Building	3,937,351	3,103,442	833,909	1,024,999
Furniture and equipment	73,192	57,690	15,502	19,054
	5,575,340	3,161,132	2,414,208	2,608,850
Sutcliffe Court:				
Land	140,801	-	140,801	140,801
Building	197,144	52,461	144,683	169,171
	337,945	52,461	285,484	309,972
Tillicum Terrace:				
Land	870,232	-	870,232	870,232
Building	3,213,988	1,397,530	1,816,458	1,982,355
	4,084,220	1,397,530	2,686,690	2,852,587
Townley Lodge:				
Land	11,388	-	11,388	11,388
Building	-	-	-	218,017
Furniture and equipment	-	-	-	10,348
Redevelopment in progress	807,722	-	807,722	389,371
	819,110	-	819,110	629,124
Society:				
Leasehold improvement	162,633	59,012	103,621	118,405
Laundry equipment	183,338	42,013	141,325	156,602
	345,971	101,025	244,946	275,007
	\$ 59,904,442	16,765,627	43,138,815	42,845,038

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

4. Mortgages payable:

	2017	2016
Balmoral Garden Court:		
2.81% Mortgage with CMHC, due September 1, 2023 payable \$30,933 per month to include principal and interest	\$ 3,420,498	\$ 3,692,041
Campbell Lodge:		
8% Mortgage with CMHC, due June 1, 2028, payable \$9,808 per month to include principal and interest	839,241	888,758
Campbell Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$10,612 per month to include principal and interest	2,243,547	2,321,066
Colwood Lodge:		
3.54% Mortgage with CMHC, due July 1, 2018, payable \$7,968 per month to include principal and interest	55,057	146,986
Colwood Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$5,067 per month to include principal and interest	1,179,755	1,214,423
Constance Court:		
2.25% Mortgage with the CMHC, due December 1, 2021, payable \$16,955 per month to include principal and interest	1,629,207	1,794,180
Constance Court:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$959 per month to include principal and interest	266,304	271,937
Dahli Place:		
2.76% Mortgage with MCAP, due July 1, 2025, payable \$37,814 per month to include principal and interest	9,766,137	9,949,158
Dowler Lodge:		
3.68% Mortgage with CHMC, due December 1, 2018, payable \$18,904 per month to include principal and interest	1,205,351	1,384,625
Dowler Lodge:		
2.19% Mortgage with MCAP due March 1, 2025 payable \$2,619 per month to include principal and interest	679,163	695,587
Forest Heights:		
3.45% Mortgage with Vancity, due November 13, 2020, payable \$4,281 per month to include principal and interest	694,304	721,395
Grafton Lodge:		
3.43% Mortgage with MCAP, due April 1, 2024 payable \$12,718 per month to include principal and interest	2,311,965	2,384,497
Nigel Square:		
2.93% Mortgage with CMHC, due August 1, 2021, payable \$9,343 per month to include principal and interest	850,570	936,555
Pembroke Mews:		
3.19% Mortgage with TD Canada Trust, due March 1, 2022 payable \$7,688 per month to include principal and interest	-	1,794,181
Pembroke Mews:		
3.19% Mortgage with MCAP, due March 1, 2022 payable \$7,688 per month to include principal and interest	1,758,237	-
Carried forward	26,899,336	28,195,389

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

4. Mortgages payable (continued):

	2017	2016
Balance brought forward	26,899,336	28,195,389
Sitkum Lodge:		
2.71% Mortgage with CMHC, due February 1, 2019, payable \$16,982 per month to include principal and interest	233,890	428,532
Sitkum Lodge:		
3.26% Mortgage with TD Canada Trust, due February 1, 2022 payable \$2,855 per month to include principal and interest	-	410,161
Sitkum Lodge:		
3.26% Mortgage with MCAP, due February 1, 2022 payable \$2,855 per month to include principal and interest	388,859	-
Sitkum Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$6,394 per month to include principal and interest	1,444,139	1,488,853
Sutcliffe Court:		
1.3% Mortgage with CMHC, due August 1, 2023, payable \$2,212 per month to include principal and interest	144,919	169,408
Sutcliffe Court:		
2.41% Mortgage with Peoples Trust, due May 1, 2026, payable \$536 per month to include principal and interest	135,855	139,001
Tillicum Terrace:		
3.68% Mortgage with CMHC, due December 1, 2018, payable \$20,737 per month to include principal and interest	2,181,535	2,347,432
Tillicum Terrace:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$1,720 per month to include principal and interest	477,890	487,997
	31,906,423	33,666,773
Current portion of long-term debt	4,803,409	1,760,377
	\$ 27,103,014	\$ 31,906,396

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

	Assuming no mortgage renewal	Assuming mortgage renewal
2018	\$ 4,803,409	\$ 1,774,545
2019	1,229,723	1,601,611
2020	1,300,399	1,616,694
2021	2,650,250	1,664,087
2022	2,826,181	1,718,363

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

5. Due to BCHMC:

During 2017, the Society entered into agreements with BCHMC for Brentwood Bay, Townley Lodge, Nigel Square, and Colwood Lodge for funding predevelopment and development costs of the respective properties. The funds advanced under these agreements 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 respective properties.

	Maximum loan amount	Amount drawn
Brentwood Bay	\$ 501,095	\$ 94,000
Townley Lodge	472,760	457,581
Nigel Square	483,000	-
Goldstream	474,430	99,930
	<u>\$ 1,931,285</u>	<u>\$ 651,511</u>

6. Forgivable loans:

	2017	2016
Pembroke Mews - Loan payable to CMHC (Residential Rehabilitation Assistance Program "RRAP")	\$ 373,333	\$ 413,333
Dahli Place	500,000	500,000
Brentwood	1,200,000	-
Campbell Lodge	195,372	-
	<u>\$ 2,268,705</u>	<u>\$ 913,333</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 (2016 - \$40,000) has been recognized during the year ended December 31, 2017 (\$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%.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

6. Forgivable loans (continued):

(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) Brentwood Bay:

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. 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%.

(d) 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, 2017, \$195,372 of these funds had been drawn.

7. Loans payable – Townley Lodge:

	2017	2016
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	200,000
	<u>\$ 316,126</u>	<u>\$ 310,000</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.

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.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

7. Loans payable – Townley Lodge:

The Vancity Pre-Development Funds loan bears interest at 2% and is repayable on demand.

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 \$3,632 (2016 - \$4,049) was paid on the repayable assistance during the year. The Society repaid \$19,276 (2016 - \$11,143) of the repayable assistance during the year.

9. Operating Fund - internally restricted:

The Society's Board of Directors has internally restricted \$517,269 (2016 - \$416,300) 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 Campbell Lodge (less the deficit related to capital improvements funded through a forgivable loan), Forest Heights, Dahli Place, Esquimalt Lion's Lodge, Pembroke Mews, Townley Lodge, 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.

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, 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 2016 fiscal year were finalized by BCHMC in fiscal 2017 and accordingly recorded in the Society's financial statements as recovery (repayment) of surplus (deficit) in the statement of operations.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

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 2016.

(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 2016.

(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 2016.

(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 2016.

12. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$16,596 (2016 - \$30,349), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2017

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, 2017, the Society paid remuneration of \$401,256 to 4 employees (2016 - \$262,300 to 3 employees), each of whom received total annual remuneration of \$75,000 or greater. There were no remuneration payments made to directors in 2017 or 2016.

14. Commitments:

During 2017, the Society's Board approved the demolition of the existing Townley Lodge. The building was vacated in December, 2017, and the demolition is expected to take place in early 2018. The subcontract price of the demolition, which includes the removal, transport and disposal of asbestos material, is estimated to be \$400,000. The contract price for demolition is an estimate and is subject to change.

15. Subsequent event:

On March 29, 2018, the land title of 330 Goldstream Avenue transferred to the Society in exchange for a cash payment of \$1,395,000. BCHMC provided the Society with a forgivable loan for the purchase price of the land to be forgiven 1/25 each year, commencing in the 11th year.

16. Comparative information:

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

GREATER VICTORIA HOUSING SOCIETY

Schedule of Operations

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Year ended December 31, 2017, with comparative information for 2016

	Balmoral Court		Campbell Lodge		Colwood Lodge		Constance Court		Dahli Place		Dowler Lodge		Esquimalt Lion's Lodge		Forest Heights		Grafton Lodge		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Revenue:																			
Tenant rent contributions	455,511	418,536	502,999	482,606	236,404	229,509	224,082	227,981	824,131	824,357	283,922	283,875	323,226	319,926	168,356	166,333	265,920	250,268	
Rent supplements (note 10(a))	287,471	330,086	131,849	152,465	89,553	83,756	165,343	152,681	-	-	238,472	226,939	-	-	-	-	50,999	65,886	
Interest reduction grants (note 10(a))	-	-	-	-	21,151	21,150	-	-	-	-	-	-	-	-	-	-	-	-	
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,537	
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143,696	
Laundry	15,063	13,763	7,892	8,381	4,755	4,835	3,975	4,705	6,544	6,701	6,450	5,610	6,570	7,300	2,773	2,153	2,163	2,293	
Heat and light recovery	-	-	16,894	15,562	7,810	7,768	27	-	100	-	-	-	-	-	-	-	-	-	
Cable recovery	-	-	43,915	40,961	22,692	20,944	23,329	21,604	-	-	29,858	27,668	34,348	31,251	-	-	16,937	15,637	
Investment income	-	-	-	-	-	-	-	-	157	-	-	-	-	-	1,112	692	-	-	
Other	19,488	5,730	2,770	1,830	3,505	3,315	1,873	1,910	30,056	28,356	3,179	2,150	3,268	2,415	4,163	2,705	3,138	1,530	
	<u>777,533</u>	<u>768,115</u>	<u>706,519</u>	<u>701,805</u>	<u>385,870</u>	<u>371,277</u>	<u>418,629</u>	<u>408,881</u>	<u>860,988</u>	<u>859,414</u>	<u>561,881</u>	<u>546,242</u>	<u>367,412</u>	<u>360,892</u>	<u>176,404</u>	<u>171,883</u>	<u>562,390</u>	<u>560,554</u>	
Expenses:																			
Amortization	271,546	264,016	49,516	45,781	91,929	88,753	164,972	161,299	183,022	178,073	179,274	172,823	-	195,599	27,090	26,166	83,332	80,906	
Mortgage interest	99,263	106,716	117,844	123,131	29,645	33,508	44,200	47,935	270,528	275,394	62,222	68,921	235	10,784	24,254	25,546	83,625	86,426	
Janitor - maintenance salaries	81,486	79,599	94,776	84,254	48,617	49,185	45,078	38,428	61,794	62,888	65,098	66,505	74,231	80,202	14,382	18,120	32,251	31,684	
Administration	60,036	57,093	78,255	74,042	41,975	39,964	42,022	39,866	54,377	51,580	53,994	51,280	60,480	57,502	12,188	11,573	30,256	28,615	
Heat, hydro and hot water	44,407	42,969	86,503	77,267	40,786	41,105	19,792	19,347	25,357	26,295	34,907	32,718	40,744	37,288	9,414	9,271	31,093	32,449	
Maintenance	49,735	41,790	48,685	37,088	18,116	17,040	19,903	23,438	22,054	24,807	26,926	27,353	35,315	26,080	14,897	17,245	22,859	27,876	
Replacement Reserve allocation	53,280	53,280	25,918	25,918	12,000	12,000	6,240	6,240	48,960	40,800	23,760	23,760	30,000	30,000	20,000	20,000	-	-	
Property taxes	34,061	35,997	33,022	34,784	20,376	18,917	16,471	17,465	29,174	31,064	29,949	31,625	-	-	10,168	10,585	4,552	4,906	
Water	38,264	33,800	26,441	26,135	11,292	9,285	9,528	11,086	21,286	20,328	25,823	23,360	9,721	10,034	8,955	7,582	6,698	6,488	
Cablevision	-	-	42,277	39,061	21,766	20,106	23,152	21,984	-	-	26,292	26,298	33,434	30,902	-	-	15,446	15,451	
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209,674	201,558	
Garbage	21,869	20,231	17,123	15,275	12,569	10,824	12,468	8,967	17,323	15,246	12,808	11,454	16,413	16,942	7,243	7,218	11,233	9,623	
Insurance	16,301	16,094	17,101	18,705	7,350	9,332	8,844	11,593	14,704	17,133	13,150	16,201	9,521	11,407	3,620	3,947	8,510	9,414	
Other	806	1,587	1,167	490	430	477	1,528	232	9,039	9,781	831	298	1,381	748	1,988	3,381	2,640	398	
Audit and legal	2,892	3,517	3,759	4,344	2,024	2,460	2,024	4,203	2,567	3,437	2,503	3,135	3,176	3,686	593	1,197	1,482	1,743	
Consultant fees	2,254	922	1,814	1,198	933	645	955	645	1,261	837	1,216	830	1,405	930	322	186	720	465	
Capital improvements	10,517	-	281,949	954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<u>786,717</u>	<u>757,611</u>	<u>926,150</u>	<u>608,427</u>	<u>359,808</u>	<u>353,601</u>	<u>417,177</u>	<u>412,728</u>	<u>761,446</u>	<u>757,663</u>	<u>558,753</u>	<u>556,561</u>	<u>316,056</u>	<u>512,104</u>	<u>155,114</u>	<u>162,017</u>	<u>544,371</u>	<u>538,002</u>	
Excess (deficiency) of revenue over expenses before the following	(9,184)	10,504	(219,831)	93,378	26,062	17,676	1,452	(3,847)	99,542	101,751	3,128	(10,319)	51,356	(151,212)	21,290	9,866	18,019	22,552	
Recovery (repayment) of deficit (surplus) (note 10(b))	(13,999)	(37,243)	(16,399)	(1,037)	17,519	6,972	9,684	(11,451)	-	-	18,738	(18,136)	-	-	-	-	-	-	
Adjustment of prior year's revenue and expenses funded by the Society	(10,762)	45,640	-	-	23,774	(22,077)	3,730	(1,956)	-	-	19,476	3,276	-	-	-	-	-	-	
Excess (deficiency) of revenue over expenses	<u>(33,945)</u>	<u>18,901</u>	<u>(236,230)</u>	<u>92,341</u>	<u>67,355</u>	<u>2,571</u>	<u>14,866</u>	<u>(17,254)</u>	<u>99,542</u>	<u>101,751</u>	<u>41,342</u>	<u>(25,179)</u>	<u>51,356</u>	<u>(151,212)</u>	<u>21,290</u>	<u>9,866</u>	<u>18,019</u>	<u>22,552</u>	
Fund balance, beginning of year	24,761	(8,397)	(89,517)	(106,009)	(41,293)	(9,943)	(13,414)	9,351	252,663	150,912	(38,214)	3,035	(9,836)	141,376	(24,692)	(34,558)	13,571	(19,781)	
Interfund transfers:																			
Capital - amortization, principal payments, purchases	-	-	(77,519)	(75,849)	(34,668)	(33,921)	(5,633)	(5,511)	-	-	(16,423)	(16,070)	-	-	-	-	10,800	10,800	
BC Housing replacement reserve review adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Replacement reserve fund transfer for expenditures	-	14,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund balance, end of year	<u>\$ (9,184)</u>	<u>\$ 24,761</u>	<u>\$ (403,266)</u>	<u>\$ (89,517)</u>	<u>\$ (6,606)</u>	<u>\$ (41,293)</u>	<u>\$ (4,181)</u>	<u>\$ (13,414)</u>	<u>\$ 352,205</u>	<u>\$ 252,663</u>	<u>\$ (13,295)</u>	<u>\$ (38,214)</u>	<u>\$ 41,520</u>	<u>\$ (9,836)</u>	<u>\$ (3,402)</u>	<u>\$ (24,692)</u>	<u>\$ 42,390</u>	<u>\$ 13,571</u>	

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Schedule of Operations

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Year ended December 31, 2017, with comparative information for 2016

	Nigel Square		Pembroke		Sitkum Lodge		Sutcliffe Court		Tillicum Terrace		Townley Lodge		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue:																
Tenant rent contributions	123,270	108,920	216,758	214,968	372,354	357,621	52,496	50,212	290,327	265,228	136,082	170,117	-	-	4,475,838	4,370,457
Rent supplements (note 10(a))	100,174	94,848	-	-	238,640	236,775	38,018	46,005	220,524	231,070	-	-	-	-	1,561,043	1,620,511
Interest reduction grants (note 10(a))	-	-	-	-	22,355	22,355	-	-	-	-	-	-	-	-	43,506	43,505
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,537	74,631
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143,696	150,309
Laundry	-	-	1,800	1,920	9,945	10,070	-	-	3,185	2,430	1,613	3,143	15,278	15,278	88,006	88,582
Heat and light recovery	-	-	-	-	13,134	11,532	-	-	360	230	30	-	-	-	38,355	35,092
Cable recovery	-	-	-	-	33,614	30,752	4,560	4,320	-	-	11,787	15,306	-	-	221,040	208,443
Investment income	-	(37)	-	-	-	-	-	-	-	-	-	-	25,676	10,506	26,945	11,161
Other	50	175	75	363	3,920	2,965	-	-	7,023	9,647	2,198	2,129	174,275	216,029	258,981	281,249
	<u>223,494</u>	<u>203,906</u>	<u>218,633</u>	<u>217,251</u>	<u>693,962</u>	<u>672,070</u>	<u>95,074</u>	<u>100,537</u>	<u>521,419</u>	<u>508,605</u>	<u>151,710</u>	<u>190,695</u>	<u>215,229</u>	<u>241,813</u>	<u>6,936,947</u>	<u>6,883,940</u>
Expenses:																
Amortization	85,986	83,505	35,944	34,825	194,642	189,461	24,488	24,172	165,897	159,909	-	16,249	30,062	30,062	1,587,700	1,751,599
Mortgage interest	25,975	28,524	56,291	57,384	53,809	60,506	5,333	4,585	93,179	99,269	138	742	2,637	-	969,178	1,029,371
Janitor - maintenance salaries	16,498	16,233	20,234	20,406	72,656	71,736	9,352	8,134	64,778	56,237	34,134	37,302	755	(1,188)	736,120	719,725
Administration	12,093	11,460	18,173	17,176	60,132	56,967	6,066	5,708	42,114	39,928	29,571	28,669	1,078	45,159	602,810	616,582
Heat, hydro and hot water	954	1,088	6,032	5,699	79,576	84,377	9,514	9,027	18,336	18,798	10,714	7,729	-	-	458,129	445,427
Maintenance	11,304	11,446	18,259	20,814	42,807	24,606	8,705	9,211	36,932	36,568	12,345	10,539	1,584	722	390,426	356,623
Replacement Reserve allocation	12,960	12,960	16,000	16,000	18,000	18,000	1,731	1,731	37,080	37,080	21,600	21,600	-	-	327,529	319,369
Property taxes	15,022	15,595	24	24	24,285	26,129	7,647	7,854	19,223	19,990	-	-	-	-	243,974	254,935
Water	20,555	17,989	8,550	6,317	34,771	33,519	3,866	3,574	31,366	29,541	12,712	9,145	-	-	269,828	248,183
Cablevision	-	-	-	-	31,812	29,394	4,296	4,101	-	95	17,111	15,847	-	-	215,586	203,239
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209,674	201,558
Garbage	8,423	8,177	6,394	5,485	13,487	12,029	1,219	1,176	16,008	13,615	10,845	9,760	-	-	185,425	166,022
Insurance	5,293	5,557	1,329	1,005	14,414	17,061	3,322	2,530	9,366	12,162	6,650	6,916	-	-	139,475	159,057
Other	270	211	147	520	925	972	191	33	977	276	2,945	556	45,797	74,013	71,062	93,973
Audit and legal	578	870	889	995	2,992	3,773	289	877	2,024	2,310	1,582	1,843	-	394	29,374	38,784
Consultant fees	305	184	455	279	1,379	922	163	92	967	645	264	465	2,970	28,597	17,383	37,842
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,170	292,466
	<u>216,216</u>	<u>213,799</u>	<u>188,721</u>	<u>186,929</u>	<u>645,687</u>	<u>629,452</u>	<u>86,182</u>	<u>82,805</u>	<u>538,247</u>	<u>526,423</u>	<u>160,611</u>	<u>167,362</u>	<u>84,883</u>	<u>192,929</u>	<u>6,746,139</u>	<u>6,658,413</u>
Excess (deficiency) of revenue over expenses before the following	7,278	(9,893)	29,912	30,322	48,275	42,618	8,892	17,732	(16,828)	(17,818)	(8,901)	23,333	130,346	48,884	190,808	225,527
Recovery (repayment) of deficit (surplus) (note 10(b))	11,101	9,947	-	-	23,293	(16,647)	(6,992)	(2,580)	12,175	2,541	-	-	-	-	55,120	(67,634)
Adjustment of prior year's revenue and expenses funded by the Society	(1,208)	2,699	-	-	5,080	43,809	9	(1,998)	22,801	12,943	-	-	(62,900)	(82,336)	-	-
Excess (deficiency) of revenue over expenses	<u>17,171</u>	<u>2,753</u>	<u>29,912</u>	<u>30,322</u>	<u>76,648</u>	<u>69,780</u>	<u>1,909</u>	<u>13,154</u>	<u>18,148</u>	<u>(2,334)</u>	<u>(8,901)</u>	<u>23,333</u>	<u>67,446</u>	<u>(33,452)</u>	<u>245,928</u>	<u>157,893</u>
Fund balance, beginning of year	(9,893)	(12,646)	102,144	71,822	(438,534)	(464,563)	6,983	4,578	(34,976)	(22,761)	155,665	132,332	29,873	(4,356)	(114,709)	(169,608)
Interfund transfers:																
Capital - amortization, principal payments, purchases	-	-	-	-	(44,714)	(43,751)	(3,145)	(1,800)	(10,107)	(9,881)	-	-	(127,876)	67,681	(309,285)	(108,302)
BC Housing replacement reserve review adjustments	-	-	-	-	-	-	-	(8,949)	-	-	-	-	-	-	-	(8,949)
Replacement reserve fund transfer for expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,257
Fund balance, end of year	\$ <u>7,278</u>	\$ <u>(9,893)</u>	\$ <u>132,056</u>	\$ <u>102,144</u>	\$ <u>(406,600)</u>	\$ <u>(438,534)</u>	\$ <u>5,747</u>	\$ <u>6,983</u>	\$ <u>(26,935)</u>	\$ <u>(34,976)</u>	\$ <u>146,764</u>	\$ <u>155,665</u>	\$ <u>(30,557)</u>	\$ <u>29,873</u>	\$ <u>(178,066)</u>	\$ <u>(114,709)</u>

GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2017

	Balance at December 31, 2016	BCHMC review adjustments	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized gain (loss) on investments	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

GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2016

	Balance at December 31, 2015	BCHMC review adjustments	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized gain (loss) on investments	Balance at December 31, 2016
Balmoral	\$ 90,695	\$ -	\$ 90,328	\$ 53,280	\$ 1,703	\$ 68,853	\$ -	\$ 152,896
Campbell Lodge	14,965	-	954	25,918	398	32,252	-	9,983
Colwood Lodge	186,019	-	18,731	12,000	1,341	33,238	-	184,853
Constance Court	300,143	-	-	6,240	1,746	19,037	-	289,092
Dahli Place	59,454	-	-	40,800	576	7,138	-	93,692
Dowler Lodge	65,229	-	-	23,760	595	21,961	-	67,623
Esquimalt Lions Lodge	329,008	-	3,074	30,000	2,208	49,295	-	314,995
Forest Heights	3,798	-	-	20,000	165	6,946	-	17,017
Grafton Lodge	416,316	-	-	-	2,286	9,523	-	409,079
Nigel Square	1,705	-	-	12,960	133	10,158	-	4,640
Pembroke Mews	54,753	-	-	16,000	394	2,666	-	68,481
Sitkum Lodge	149,146	-	-	18,000	999	18,935	-	149,210
Sutcliffe Court	5,443	8,949	8,895	1,731	43	753	-	24,308
Tillicum Terrace	55,181	-	-	37,080	659	30,571	-	62,349
Townley Lodge	293,864	-	-	21,600	1,763	13,067	-	304,160
Unrealized gain on investments	6,301	-	-	-	-	-	74,966	81,267
	\$ 2,032,020	\$ 8,949	\$ 121,982	\$ 319,369	\$ 15,009	\$ 324,393	\$ 74,966	\$ 2,233,645