

Financial Statements of

**GREATER VICTORIA  
HOUSING SOCIETY**

And Independent Auditors' Report thereon

Year ended December 31, 2020

# 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, 2020
- 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 as at and for the year ended December 31, 2020 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 applicable financial reporting framework and the purpose of the financial statements.

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.

***Emphasis of Matter – Comparative Information***

We draw attention to Note 2 in the financial statements which explains that certain comparative information presented for the year ended December 31, 2019 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2020, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2019. In our opinion, such adjustments are appropriate and have been properly applied.

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

Management is responsible for the preparation 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.
- 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, after giving retroactive effect to the change in the policy of accounting for forgivable loans as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Victoria, Canada  
DATE

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019 (restated - note 2)
<b>Assets</b>		
Current assets:		
Cash	\$ 2,972,835	\$ 3,585,132
Short-term investments and term deposits, at fair value	1,339,642	388,778
Cash held in trust (note 3)	35,277	34,933
Accounts receivable	1,512,675	3,055,002
Prepaid expenses	91,125	82,648
	<u>5,951,554</u>	<u>7,146,493</u>
Replacement reserve fund, held in short-term investments and term deposits, at fair value	2,655,876	2,285,280
Capital assets (note 4)	85,738,904	71,545,178
	<u>\$ 94,346,334</u>	<u>\$ 80,976,951</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 3,591,757	\$ 5,457,801
Accrued mortgage interest payable	63,523	67,492
Current portion of mortgages payable (note 6)	3,659,836	1,694,437
Deferred revenue	130,960	139,612
Due to BCHMC (note 7)	45,991,049	31,000,175
Loans payable - pre-construction funding (note 8)	1,429,886	1,012,271
	<u>54,867,011</u>	<u>39,371,788</u>
Mortgages payable (note 6)	23,233,499	26,823,902
Loans payable to CMHC (note 9)	526,071	159,033
	<u>78,626,581</u>	<u>66,354,723</u>
<b>Fund Balances</b>		
Operating Fund:		
Externally restricted	48,661	(161,777)
Internally restricted (note 10)	1,187,264	1,061,884
	<u>1,235,925</u>	<u>900,107</u>
Capital Fund:		
Invested in capital assets	11,709,605	11,318,494
Externally restricted	118,347	118,347
	<u>11,827,952</u>	<u>11,436,841</u>
Replacement Reserve Fund (Schedule 2):		
Externally restricted	1,776,089	1,412,834
Internally restricted	879,787	872,446
	<u>2,655,876</u>	<u>2,285,280</u>
	<u>15,719,753</u>	<u>14,622,228</u>
Commitments (note 14)		
Contingencies (notes 11(b) and 15)		
COVID-19 (note 17)		
	<u>\$ 94,346,334</u>	<u>\$ 80,976,951</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, 2020, with comparative information for 2019

	Restricted Funds			Total 2020	Total 2019 (restated - note 2)
	Operating Fund (Schedule 1)	Capital Fund	Replacement Reserve Fund (Schedule 2)		
<b>Revenue:</b>					
Tenant rent contributions	\$ 5,029,457	\$ -	\$ -	\$ 5,029,457	\$ 4,740,345
Rent supplements (note 11(a))	1,467,582	-	-	1,467,582	1,427,075
Interest reduction grants (note 11(a))	-	-	-	-	5,589
Laundry	79,049	-	-	79,049	84,479
Heat and light recovery	17,872	-	-	17,872	20,435
Cable recovery	227,841	-	-	227,841	233,901
Investment income	62,118	-	80,051	142,169	142,744
Unrealized gain on investments	30,136	-	177,147	207,283	164,080
CMHC seed and proposal development funding	-	160,000	-	160,000	75,000
Forgivable loans granted	-	14,364	-	14,364	83,684
Development grants	-	129,309	-	129,309	128,000
Other	306,293	-	52,612	358,905	314,591
	7,220,348	303,673	309,810	7,833,831	7,419,923
<b>Expenses:</b>					
Amortization	1,618,517	-	-	1,618,517	1,431,663
Mortgage interest	841,412	-	-	841,412	832,098
Janitor - maintenance salaries	870,736	-	-	870,736	799,705
Administration	827,437	-	-	827,437	662,960
Heat, hydro and hot water	450,896	-	-	450,896	448,599
Maintenance	441,159	-	-	441,159	409,764
Replacement reserve expenditures	-	-	430,615	430,615	382,483
Property taxes	212,154	-	-	212,154	187,691
Water	315,138	-	-	315,138	290,833
Cablevision	243,100	-	-	243,100	235,852
Garbage	237,759	-	-	237,759	221,565
Insurance	250,095	-	-	250,095	193,163
Other	26,728	-	-	26,728	20,257
Audit and legal	35,240	-	-	35,240	42,807
Capital improvements	-	-	-	-	90,154
Replacement reserve allocation	518,204	-	(518,204)	-	-
	6,888,575	-	(87,589)	6,800,986	6,249,594
Excess of revenue over expenses, before the following	331,773	303,673	397,399	1,032,845	1,170,329
Recovery of deficit (note 11(b))	64,680	-	-	64,680	39,724
Excess of revenue over expenses	396,453	303,673	397,399	1,097,525	1,210,053
Fund balances, beginning of year (restated - note 2)	900,107	11,436,841	2,285,280	14,622,228	13,412,175
Interfund transfers:					
Capital - amortization, principal payments, purchases	(87,438)	87,438	-	-	-
BCHMC replacement reserve review adjustments	26,803	-	(26,803)	-	-
Fund balances, end of year	\$ 1,235,925	\$ 11,827,952	\$ 2,655,876	\$ 15,719,753	\$ 14,622,228

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		(restated - note 2)
Operating activities:		
Excess of revenue over expenses:		
Operating Fund	\$ 396,453	\$ 720,616
Capital Fund	303,673	231,156
Replacement Reserve Fund	397,399	258,281
Items not involving cash:		
Amortization of capital assets	1,618,517	1,431,663
Loan forgiveness, excluding Seed Money	-	(35,000)
Unrealized gain on investments	(207,283)	(164,080)
Write down of capital assets - Prosser Road	-	6,134
Change in non-cash operating working capital:		
Accounts receivable	1,542,327	(932,167)
Prepaid expenses	(8,477)	(22,521)
Accrued mortgage interest payable	(3,969)	(3,838)
Accounts payable and accrued liabilities	(1,866,044)	3,167,503
Deferred revenue	(8,652)	(8,858)
	2,163,944	4,648,889
Investing activities:		
Purchase of capital assets	(15,812,243)	(22,591,122)
Increase in cash held in trust	(344)	(3,800)
Increase in investments	(1,114,177)	(49,999)
	(16,926,764)	(22,644,921)
Financing activities:		
Principal repayments of mortgages	(1,625,004)	(1,613,601)
Increase in due to BCHMC	14,990,874	20,744,345
Net proceeds from loans	784,653	989,954
	14,150,523	20,120,698
Increase (decrease) in cash	(612,297)	2,124,666
Cash, beginning of the year	3,585,132	1,460,466
Cash, end of year	\$ 2,972,835	\$ 3,585,132

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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Greater Victoria Housing Society (the "Society") is registered under the Societies Act (British Columbia). 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 certain 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.
- (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.



# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 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 Dahli Place, Forest Heights, 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, 2020

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## 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) Interest is capitalized until the asset is put into use whenever external debt is issued to finance the construction of capital assets.
- (iii) 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 following exceptions:
  - Land lease on Grafton Lodge is amortized on a straight-line basis over 35 years
  - Leasehold improvements are amortized over the term of the lease
  - Laundry equipment is amortized on a straight-line basis over 12 years
  - Parsons at Brentwood and Townley Place buildings are amortized on a straight-line basis over 50 years

Amortization expense is recorded in the Operating Fund.

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

The Society reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Society's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

### (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.

Forgivable loans are recognized as revenue in accordance with the above when the Society becomes entitled to receive a forgivable loan.

### (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.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (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.

## 2. Change in accounting policy:

The Society has changed the accounting policy for forgivable loans to recognize the amounts as grant revenue on the date the Society becomes entitled to receive the forgivable loan. Previously, forgivable loans were recorded as liabilities and amortized into revenue over the forgiveness term. The previous treatment was an exception from Canadian accounting standards for not-for-profit organizations as was disclosed as such in note 1(a). The change in accounting policy has been applied retrospectively.

As a result of the change, as at December 31, 2019, the Capital fund - invested in capital assets balance increased by \$1,017,623, the Operating fund - externally restricted balance increased by \$450,000, the liability for forgivable loans decreased by \$1,467,623, and the excess of revenue over expenses decreased by \$6,316 for the year ended December 31, 2019.

The impact as at January 1, 2019 was the Capital fund - invested in capital assets balance increased by \$1,023,333, the Operating fund - externally restricted balance increased by \$450,606 and the liability for forgivable loans decreased by \$1,473,939.

## 3. 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.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 4. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net	Net
<b>Balmoral Garden Court:</b>				
Land lease prepaid for 60 years	\$ 298,959	161,890	137,069	152,881
Building	5,282,374	2,863,047	2,419,327	2,698,718
	5,581,333	3,024,937	2,556,396	2,851,599
<b>Parsons at Brentwood:</b>				
Land	1,205,408	-	1,205,408	1,205,408
Building	8,451,512	155,178	8,296,334	-
Development in progress	-	-	-	8,252,886
	9,656,920	155,178	9,501,742	9,458,294
<b>Campbell Lodge:</b>				
Land	2,452,727	-	2,452,727	2,452,727
Building	2,517,895	771,533	1,746,362	1,806,722
Furniture and equipment	95,697	29,323	66,374	68,668
Landscaping and site improvement	21,290	-	21,290	21,290
Building envelope	48,652	-	48,652	34,290
	5,136,261	800,856	4,335,405	4,383,697
<b>Colwood Lodge:</b>				
Land	1,273,304	-	1,273,304	1,273,304
Building	1,673,113	1,418,149	254,964	254,964
Furniture and equipment	55,492	47,035	8,457	8,457
Redevelopment	679,413	-	679,413	196,430
	3,681,322	1,465,184	2,216,138	1,733,155
<b>Constance Court:</b>				
Land	500,565	-	500,565	500,565
Building	3,440,970	2,522,297	918,673	1,091,112
Furniture and equipment	79,144	58,013	21,131	25,097
	4,020,679	2,580,310	1,440,369	1,616,774
<b>Dahli Place:</b>				
Land	2,734,179	-	2,734,179	2,734,179
Building	10,309,771	1,014,016	9,295,755	9,494,463
	13,043,950	1,014,016	12,029,934	12,228,642
<b>Dowler Lodge:</b>				
Land	818,159	-	818,159	818,159
Building	3,674,753	3,138,810	535,943	737,983
Furniture and equipment	1,367	1,167	200	274
	4,494,279	3,139,977	1,354,302	1,556,416
<b>Esquimalt Lions' Lodge:</b>				
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 - Fleming Street	597,067	-	597,067	332,259
	1,508,780	447,989	1,060,791	795,983

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 4. Capital assets (continued):

			2020	2019
	Cost	Accumulated amortization	Net	Net
<b>Forest Heights:</b>				
Land	\$ 892,961	-	892,961	892,961
Building	1,183,637	404,985	778,652	808,741
Redevelopment	391,809	-	391,809	161,742
	2,468,407	404,985	2,063,422	1,863,444
<b>Grafton Lodge:</b>				
Land lease prepaid for 35 years	345,600	148,500	197,100	207,900
Building	3,553,238	1,202,111	2,351,127	2,431,450
Furniture and equipment	18,457	18,457	-	-
	3,917,295	1,369,068	2,548,227	2,639,350
<b>Goldstream Avenue 330:</b>				
Land	1,394,730	-	1,394,730	1,394,730
Development in progress	20,514,757	-	20,514,757	10,211,145
	21,909,487	-	21,909,487	11,605,875
<b>Nigel Square:</b>				
Land lease prepaid for 60 years	301,240	192,025	109,215	126,968
Building	1,290,578	822,680	467,898	543,957
Nigel Valley development in progress	842,849	-	842,849	603,205
	2,434,667	1,014,705	1,419,962	1,274,130
<b>Pembroke Mews:</b>				
Land	799,243	-	799,243	799,243
Building	2,346,499	294,919	2,051,580	2,089,587
Equipment	93,549	11,760	81,789	83,304
	3,239,291	306,679	2,932,612	2,972,134
<b>Sitkum Lodge:</b>				
Land	1,564,797	-	1,564,797	1,564,797
Building	3,937,351	3,333,065	604,286	604,286
Furniture and equipment	73,192	61,958	11,234	11,233
	5,575,340	3,395,023	2,180,317	2,180,316
<b>Sutcliffe Court:</b>				
Land	140,801	-	140,801	140,801
Building	197,144	127,857	69,287	94,745
	337,945	127,857	210,088	235,546
<b>Tillicum Terrace:</b>				
Land	870,232	-	870,232	870,232
Building	3,213,988	1,948,727	1,265,261	1,457,291
	4,084,220	1,948,727	2,135,493	2,327,523
<b>Townley Place:</b>				
Land	11,388	-	11,388	11,388
Building	15,703,378	26,156	15,677,222	-
Redevelopment in progress	-	-	-	11,626,090
	15,714,766	26,156	15,688,610	11,637,478

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 4. Capital assets (continued):

			2020	2019
	Cost	Accumulated amortization	Net	Net
Society:				
Leasehold improvement	162,633	103,366	59,267	74,052
Laundry equipment	184,188	87,846	96,342	110,770
	346,821	191,212	155,609	184,822
	\$107,151,763	21,412,859	85,738,904	71,545,178

During the year, the Society capitalized \$109,394 of interest (2019 - \$56,118).

## 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$10,897 (2019 - \$12,184), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

## 6. Mortgages payable:

	2020	2019
Balmoral Garden Court:		
2.81% Mortgage with CMHC, due September 1, 2023 payable \$30,933 per month to include principal and interest	\$ 2,558,982	\$ 2,854,186
Campbell Lodge:		
8% Mortgage with CMHC, due June 1, 2028, payable \$9,808 per month to include principal and interest	665,102	727,757
Campbell Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$10,612 per month to include principal and interest	2,000,598	2,083,351
Colwood Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$5,067 per month to include principal and interest	1,071,104	1,108,113
Constance Court:		
2.25% Mortgage with the CMHC, due December 1, 2021, payable \$16,955 per month to include principal and interest	1,111,593	1,287,999
Constance Court:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$959 per month to include principal and interest	248,651	254,664
Dahli Place:		
2.76% Mortgage with MCAP, due July 1, 2025, payable \$37,814 per month to include principal and interest	9,185,984	9,384,693
Dowler Lodge:		
2.61% Mortgage with CHMC, due November 1, 2023, payable \$18,423 per month to include principal and interest	620,364	822,480

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 6. Mortgages payable (continued):

	2020	2019
Dowler Lodge:		
2.19% Mortgage with MCAP due March 1, 2025 payable \$2,619 per month to include principal and interest	627,691	645,224
Forest Heights:		
3.45% Mortgage with Vancity, due November 13, 2021, payable \$4,373 per month to include principal and interest	607,185	637,275
Grafton Lodge:		
3.43% Mortgage with MCAP, due April 1, 2024 payable \$12,718 per month to include principal and interest	2,078,965	2,159,287
Nigel Square:		
2.93% Mortgage with CMHC, due August 1, 2021, payable \$9,343 per month to include principal and interest	577,111	670,923
Pembroke Mews:		
3.19% Mortgage with MCAP, due March 1, 2022 payable \$7,688 per month to include principal and interest	1,643,322	1,682,845
Sitkum Lodge:		
3.26% Mortgage with MCAP, due February 1, 2022 payable \$2,855 per month to include principal and interest	320,661	344,132
Sitkum Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$6,394 per month to include principal and interest	1,304,002	1,351,735
Sutcliffe Court:		
0.62% Mortgage with CMHC, due August 1, 2023, payable \$2,191 per month to include principal and interest	69,523	94,981
Sutcliffe Court:		
2.41% Mortgage with Peoples Trust, due May 1, 2026, payable \$536 per month to include principal and interest	125,955	129,334
Tillicum Terrace:		
2.61% Mortgage with CMHC, due December 1, 2023, payable \$19,756 per month to include principal and interest	1,630,338	1,822,368
Tillicum Terrace:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$1,720 per month to include principal and interest	446,204	456,992
	26,893,335	28,518,339
Current portion of long-term debt	3,659,836	1,694,437
	<u>\$ 23,233,499</u>	<u>\$ 26,823,902</u>

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 6. 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
2021	\$ 3,659,846	\$ 1,672,028
2022	3,235,894	1,719,820
2023	2,974,263	1,741,452
2024	3,375,719	1,567,975
2025	13,276,427	1,612,519

## 7. Due to BCHMC:

The Society has agreements with BCHMC for Parsons at Brentwood, Townley Street 1780, Goldstream Avenue 330, Nigel Valley, Fleming Street 874 and Colwood - 85 Belmont Road for funding predevelopment and development costs of the respective properties.

	Maximum funding amount	2020	2019
Parsons at Brentwood	\$ 9,155,224	\$ 9,550,006	\$ 8,727,051
Townley Street 1780	15,837,904	14,614,498	10,702,784
Goldstream Avenue 330	25,720,490	20,236,451	10,715,758
Nigel Valley	1,103,466	847,257	522,353
Fleming Street 874	766,625	591,595	332,229
Colwood - 85 Belmont Road	151,242	151,242	-
	\$ 52,734,951	\$ 45,991,049	\$31,000,175

### (a) Parsons at Brentwood, Townley Street 1780, and Goldstream Avenue 330:

The funding provided for these development projects is a combination of loans and forgivable loans (grants). The maximum forgivable loan portion for each of the Parsons at Brentwood, Townley Street 1780, and Goldstream Avenue 330 projects is \$4,500,000, \$6,514,112 and \$10,400,441 respectively. The forgivable loan portion of the funding will be determined by BCHMC upon final accounting for the projects. If the Society continues to develop, use and operate the above properties for the intended purposes as required by BCHMC, the loans 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%.



# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 7. Due to BCHMC (continued):

### (a) Parsons at Brentwood, Townley Street 1780, and Goldstream Avenue 330 (continued):

The Parsons at Brentwood and Townley Street 1780 projects completed during the year. The final project accounting by BCHMC has yet to be determined therefore the forgivable loan portion of the funding remains a liability at year end.

On January 15, 2021, the Society repaid \$396,355 to BCHMC of over-funding received during the year for Parsons at Brentwood.

### (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.

### (c) Fleming Street 874:

During 2019, 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 mortgage.

### (d) Colwood - 85 Belmont Road:

During 2020, the Society entered into an agreement with BCHMC for an interest free loan for Proposal Development Funding for \$151,242. 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 mortgage.

## 8. Loans payable - pre-construction funding:

In 2019, the Society received a Pre-Construction Funding Loan in the amount of \$1,000,000 from Vancity to be used towards four development and redevelopment projects (Parsons at Brentwood, Nigel, Goldstream and Townley). In 2020, an additional amount was approved for \$950,000 to be used for three additional development and redevelopment projects (Forest Heights, Colwood Lodge, and Esquimalt Lions Lodge). The funding is in the form of a demand loan which bears interest at a rate of 2% annually. Full repayment of the loan including principal and interest is required no later than five years following the completion of construction, and the balance is due on demand. As at December 31, 2020, the balance of \$1,429,886 includes draws of \$1,400,000 plus accrued interest.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

## 9. Loans payable to CMHC:

	2020	2019
Townley Place Seed Loan	\$ -	\$ 10,000
Townley Place Proposal Development Funding	-	65,000
Colwood - 85 Belmont Road Seed Loan	286,980	-
Forest Heights Seed Loan	180,000	-
Grafton Lodge Repayable Assistance	59,091	84,033
	<u>\$ 526,071</u>	<u>\$ 159,033</u>

### (a) Townley Place Seed Loan:

The Society obtained financing for the Townley Place redevelopment project in the form of a \$10,000 Seed loan from CMHC. There are no stated interest terms associated with the loan. The seed loan was repaid on February 12, 2020.

### (b) Townley Place Proposal Development Funding:

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. During 2019, CMHC forgave \$35,000 of the loan, resulting in a balance of \$65,000 at the end of the year. The balance was repaid on February 12, 2020.

### (c) Colwood - 85 Belmont Road Seed Loan:

During 2020, the Society obtained financing for the Colwood - 85 Belmont Road development project in the form of a Seed loan from CMHC. The Society has drawn on the Seed loan in the amount of \$286,980 with a maximum approved limit of \$350,000. No interest is accrued or payable during the term of the loan.

### (d) Forest Heights Seed Loan:

During 2018, the Society obtained financing for the Forest Heights redevelopment in the form of a \$180,000 Seed loan from CMHC. During 2020, \$180,000 was drawn on the loan. No interest is accrued or payable during the term of the loan.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 9. Loans payable to CMHC (continued):

### (e) Grafton Lodge repayable assistance:

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 \$2,754 (2019 - \$3,683) was paid on the repayable assistance during the year. The Society repaid \$27,696 (2019 - \$22,317) of the repayable assistance during the year.

## 10. Operating Fund - internally restricted:

The Society's Board of Directors has internally restricted \$1,187,264 (2019 - \$1,061,884) 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.

## 11. 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 2019 fiscal year were finalized by BCHMC in fiscal 2020 and accordingly recorded in the Society's financial statements as recovery of deficit in the statement of operations.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 12. 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 2019.

### (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 2019.

### (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 2019.

### (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 6. There has been no change to the risk exposures from 2019.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 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, 2020, the Society paid remuneration of \$451,148 to four employees (2019 - \$517,591 to five employees), each of whom received total remuneration of \$75,000 or greater. There were no remuneration payments made to directors in 2020 or 2019.

## 14. Commitments:

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

	Payment
2021	41,020

The Society has total construction commitments of \$6,008,906 in design and construction contracts funded by BCHMC and CMHC for the ongoing development of 330 Goldstream Avenue, 874 Fleming Street, 85 Belmont Road and the Nigel Valley site.

## 15. Contingencies:

The Society has contingent liabilities related to the following forgivable loans, which have been recognized as revenue in the current or prior years:

### (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. 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 is forgivable at 1/25 each year, commencing in the 11<sup>th</sup> year (2026).

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2020

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## 15. Contingencies (continued):

### (c) Campbell Lodge:

During 2017, BCHMC approved the Society to borrow up to \$500,000 for the renovation and/or repair of Campbell Lodge. The amounts have been fully drawn (the last \$49,394 of the \$500,000 was drawn in 2019). The loan is forgivable at 1/10 each year, commencing in the 1<sup>st</sup> year (2019). 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 principal outstanding as at the date of default at a rate of prime plus 2%.

### (d) Campbell Lodge Envelope:

During 2019, BCHMC committed to providing the Society with a forgivable loan up to \$5,200,000 to fund the restoration of the envelope at Campbell Lodge. During the year \$14,364 was drawn (2019 - \$34,290). As at December 31, 2020 \$48,654 had been drawn cumulatively (2019 - \$34,290). If the Society uses the asset for the intended purpose as required by BCHMC, the loan is forgivable at 1/10 each year, commencing in the 1<sup>st</sup> year after completion of construction.

### (e) 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 is forgivable at 1/25 each year, commencing in the 11th year (2021).

## 16. Comparative information:

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

## 17. COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Society are not known at this time.

During the year, the Society applied for and received the Temporary Pandemic Pay (TPP). TPP is a government grant that is provided to employers who are then responsible for distributing the funding to employees. The Society has received and recognized \$45,358 in revenue and recorded \$45,358 as payroll expense upon payment to employees.

**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

Schedule 1 - page 1 of 2

Year ended December 31, 2020, with comparative information for 2019

	Balmoral Court		Campbell Lodge		Colwood Lodge		Constance Court		Dahli Place		Dowler Lodge		Esquimalt Lion's Lodge		Forest Heights		Grafton Lodge	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(restated - note 2)																	
<b>Revenue:</b>																		
Tenant rent contributions	458,359	465,227	518,924	529,741	308,784	318,805	262,119	242,128	856,082	855,316	309,016	299,316	223,064	309,885	154,421	176,566	287,928	292,645
Rent supplements (note 11(a))	294,780	284,519	175,132	130,146	60,798	60,798	170,959	175,463	-	-	270,428	259,856	-	-	-	-	62,430	53,071
Interest reduction grants (note 11(a))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	12,455	13,000	5,506	8,326	4,475	5,298	3,541	3,665	6,000	7,645	5,427	6,337	4,007	6,107	2,133	2,943	2,403	3,443
Heat and light recovery	-	-	17,362	17,695	-	-	-	-	390	480	-	-	-	-	-	-	-	-
Cable recovery	-	-	51,457	50,464	24,759	24,414	27,127	26,883	-	-	34,364	34,584	25,740	34,586	-	-	20,043	19,838
Investment income	-	-	-	-	-	-	-	-	344	3,799	-	-	-	-	1,617	3,636	-	-
Unrealized gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forgivable loans granted	-	-	-	49,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	21,028	93,266	12,014	8,239	7,554	5,087	7,409	3,672	32,012	28,386	8,797	3,913	11,840	4,635	4,330	3,855	5,855	3,938
	786,622	856,012	780,395	794,005	406,370	414,402	471,155	451,811	894,828	895,626	628,032	604,006	264,651	355,213	162,501	187,000	378,659	372,935
<b>Expenses:</b>																		
Amortization	295,203	287,106	62,654	57,927	-	-	176,406	171,254	198,709	193,336	202,115	196,951	-	-	30,090	29,003	91,123	88,437
Mortgage interest	75,596	83,676	99,466	105,982	23,901	24,699	32,377	36,411	254,844	260,226	32,611	38,185	288	274	21,364	22,377	74,991	78,592
Janitor - maintenance salaries	81,947	86,727	112,029	103,436	66,455	51,765	64,508	61,580	71,224	67,691	75,292	75,250	71,880	58,400	23,151	21,159	48,703	63,717
Administration	78,396	68,611	105,824	92,582	53,119	46,571	55,216	48,361	72,603	63,452	69,830	61,115	82,167	71,545	20,649	17,394	41,612	38,353
Heat, hydro and hot water	42,775	44,083	80,105	84,551	43,319	46,595	22,455	22,198	25,178	24,670	32,243	34,356	35,775	39,066	8,400	8,470	20,575	20,476
Maintenance	47,304	48,708	58,038	56,177	17,351	18,605	28,865	28,191	36,000	29,150	37,643	41,852	20,052	21,674	8,423	10,497	25,140	21,592
Replacement reserve allocation	53,280	53,280	45,000	30,000	60,000	45,000	6,240	6,240	81,600	61,200	39,600	39,600	-	46,200	20,064	20,000	-	-
Property taxes	28,582	23,958	32,909	30,363	22,040	18,533	18,490	15,375	29,611	26,968	22,614	20,811	-	-	6,191	5,024	5,541	5,553
Water	48,581	39,548	31,442	36,081	10,839	10,586	12,081	11,307	33,841	28,234	31,329	27,148	10,580	15,583	9,813	12,090	8,170	6,994
Cablevision	-	-	50,754	49,197	26,755	25,934	27,136	26,303	-	-	34,171	33,123	40,132	38,901	-	-	20,024	19,451
Garbage	28,243	26,478	26,617	22,839	15,711	17,105	13,073	13,248	24,730	22,693	16,149	16,418	20,534	20,924	9,801	9,104	14,382	13,176
Insurance	34,447	28,049	29,229	23,979	12,548	10,356	17,592	14,272	22,330	18,123	23,839	19,412	14,974	12,388	7,606	6,295	17,224	14,026
Other	490	3,436	223	1,329	143	632	358	292	6,553	6,907	387	616	8,689	1,029	2,227	2,200	259	981
Audit and legal	3,384	3,455	4,341	4,886	2,366	2,465	2,314	2,439	3,302	3,872	2,927	3,183	3,519	3,667	872	981	1,877	1,829
Capital improvements	-	80,600	-	9,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	818,228	877,715	738,631	708,883	354,547	318,846	477,111	457,471	860,525	806,522	620,750	608,020	308,590	329,651	168,651	164,594	369,621	373,177
Excess (deficiency) of revenue over expenses before the following	(31,606)	(21,703)	41,764	85,122	51,823	95,556	(5,956)	(5,660)	34,303	89,104	7,282	(4,014)	(43,939)	25,562	(6,150)	22,406	9,038	(242)
Recovery of deficit (note 11(b))	25,628	12,460	31,219	(7,123)	-	1,325	8,392	5,341	-	-	14,836	669	-	-	-	-	-	-
Adjustment of prior year's revenue and expenses funded by the Society	(3,925)	2,415	8,055	(495)	-	(48,714)	(1,599)	(333)	-	-	(467)	(1,039)	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses	(9,903)	(6,828)	81,038	77,504	51,823	48,167	837	(652)	34,303	89,104	21,651	(4,384)	(43,939)	25,562	(6,150)	22,406	9,038	(242)
Fund balance, beginning of year	(21,703)	(14,875)	(44,274)	(40,808)	59,345	47,389	(11,543)	(5,008)	522,889	433,785	(21,169)	370	84,908	59,346	42,298	19,892	118,854	108,296
<b>Interfund transfers:</b>																		
Capital - amortization, principal payments, purchase	-	-	(82,753)	(80,970)	(37,009)	(36,211)	(6,013)	(5,883)	-	-	(17,532)	(17,155)	-	-	-	-	10,800	10,800
BCHMC replacement reserve review adjustments	-	-	5,000	-	-	-	4,750	-	-	-	6,800	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ (31,606)</b>	<b>\$ (21,703)</b>	<b>\$ (40,989)</b>	<b>\$ (44,274)</b>	<b>\$ 74,159</b>	<b>\$ 59,345</b>	<b>\$ (11,969)</b>	<b>\$ (11,543)</b>	<b>\$ 557,192</b>	<b>\$ 522,889</b>	<b>\$ (10,250)</b>	<b>\$ (21,169)</b>	<b>\$ 40,969</b>	<b>\$ 84,908</b>	<b>\$ 36,148</b>	<b>\$ 42,298</b>	<b>\$ 138,692</b>	<b>\$ 118,854</b>

**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

Year ended December 31, 2020, with comparative information for 2019

	Nigel Square		Pembroke		Sitkum Lodge		Sutcliffe Court		Tillicum Terrace		Townley Place		Parsons at Brentwood		Other		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
Revenue:																			(restated - note 2)
Tenant rent contributions	157,739	126,450	221,822	222,503	582,470	531,592	59,694	56,254	322,369	313,917	3,638	-	303,028	-	-	-	5,029,457	4,740,345	
Rent supplements (note 11(a))	68,098	89,935	-	-	110,991	121,717	35,441	35,905	218,525	215,665	-	-	-	-	-	-	1,467,582	1,427,075	
Interest reduction grants (note 11(a))	-	-	-	-	-	5,589	-	-	-	-	-	-	-	-	-	-	-	-	5,589
Laundry	-	-	2,440	1,584	9,687	8,677	-	-	1,146	2,176	1,250	-	3,305	-	15,274	15,278	79,049	84,479	
Heat and light recovery	-	-	-	-	120	2,160	-	-	-	100	-	-	-	-	-	-	-	17,872	20,435
Cable recovery	-	-	-	-	39,071	38,196	5,280	4,936	-	-	-	-	-	-	-	-	227,841	233,901	
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,157	55,505	62,118	62,940	
Unrealized gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,136	36,960	30,136	36,960	
Forgivable loans granted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,394	
Other	1,168	100	1,597	150	9,550	4,646	590	-	12,685	9,270	1,746	-	9,312	-	158,806	151,568	306,293	320,725	
	227,005	216,485	225,859	224,237	751,889	712,577	101,005	97,095	554,725	541,128	6,634	-	315,645	-	264,373	259,311	7,220,348	6,981,843	
Expenses:																			
Amortization	93,812	91,130	39,523	38,292	-	35,923	25,458	25,112	192,029	187,130	26,156	-	155,177	-	30,062	30,062	1,618,517	1,431,663	
Mortgage interest	18,136	20,868	52,725	53,956	39,916	41,837	4,100	4,547	54,662	59,790	3,517	-	51,240	-	1,678	678	841,412	832,098	
Janitor - maintenance salaries	21,939	27,112	25,208	20,975	77,368	82,027	16,665	17,042	75,194	62,852	1,714	-	38,447	-	(988)	(28)	870,736	799,705	
Administration	18,906	16,843	26,813	22,742	79,873	69,843	10,570	9,194	56,212	49,097	7,341	-	35,664	-	12,642	(12,743)	827,437	662,960	
Heat, hydro and hot water	1,456	1,716	6,704	6,174	88,059	90,338	9,425	9,138	17,886	16,768	5,258	-	11,283	-	-	-	450,896	448,599	
Maintenance	14,516	14,819	36,300	25,584	44,161	47,529	8,519	6,340	37,849	35,614	3,327	-	14,150	-	3,521	3,432	441,159	409,764	
Replacement reserve allocation	12,960	12,960	20,100	20,000	90,000	54,000	7,200	7,200	38,160	38,160	-	-	44,000	-	-	-	518,204	433,840	
Property taxes	9,841	8,874	24	24	16,078	14,741	3,535	3,080	16,698	14,387	-	-	-	-	-	-	212,154	187,691	
Water	24,108	23,682	4,323	5,001	44,214	41,417	4,965	2,780	37,925	30,382	-	-	2,927	-	-	-	315,138	290,833	
Cablevision	-	-	-	-	39,103	37,766	5,025	4,879	-	298	-	-	-	-	-	-	243,100	235,852	
Garbage	14,023	13,232	8,719	7,755	18,671	20,404	1,316	1,472	19,650	16,717	228	-	5,912	-	-	-	237,759	221,565	
Insurance	8,875	7,373	397	302	24,136	19,730	5,007	3,569	18,787	15,289	-	-	13,104	-	-	-	250,095	193,163	
Other	26	93	38	129	895	606	39	149	1,818	271	-	-	364	-	4,219	1,587	26,728	20,257	
Audit and legal	538	1,680	1,250	1,151	3,415	3,501	443	475	2,449	2,473	-	-	1,767	-	476	6,750	35,240	42,807	
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,154	-
	239,136	240,382	222,124	202,085	565,889	559,662	102,267	94,977	569,319	529,228	47,541	-	374,035	-	51,610	29,738	6,888,575	6,300,951	
Excess (deficiency) of revenue over expenses before the following	(12,131)	(23,897)	3,735	22,152	186,000	152,915	(1,262)	2,118	(14,594)	11,900	(40,907)	-	(58,390)	-	212,763	229,573	331,773	680,892	
Recovery of deficit (note 11(b))	13,871	(4,112)	-	-	(29,596)	21,360	1,233	(4,161)	(903)	13,965	-	-	-	-	-	-	64,680	39,724	
Adjustment of prior year's revenue and expenses funded by the Society	(227)	(217)	-	-	-	42,285	(428)	-	(439)	43,628	-	-	-	-	(970)	(37,530)	-	-	
Excess (deficiency) of revenue over expenses	1,513	(28,226)	3,735	22,152	156,404	216,560	(457)	(2,043)	(15,936)	69,493	(40,907)	-	(58,390)	-	211,793	192,043	396,453	720,616	
Fund balance, beginning of year	(23,897)	4,329	173,291	151,139	(217,927)	(387,782)	(805)	4,537	1,342	(57,593)	-	-	-	-	238,498	364,056	900,107	687,073	
Interfund transfers:																			
Capital - amortization, principal payments, purchases	-	-	-	-	(47,733)	(46,705)	(3,379)	(3,299)	(10,790)	(10,558)	26,156	-	155,177	-	(74,362)	(317,601)	(87,438)	(507,582)	
BCHMC replacement reserve review adjustments	10,253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,803	-	
Fund balance, end of year	\$ (12,131)	\$ (23,897)	\$ 177,026	\$ 173,291	\$ (109,256)	\$ (217,927)	\$ (4,641)	\$ (805)	\$ (25,384)	\$ 1,342	\$ (14,751)	\$ -	\$ 96,787	\$ -	\$ 375,929	\$ 238,498	\$ 1,235,925	\$ 900,107	



# GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2020

	Balance at December 31, 2019	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized gain on investments	BCHMC Review Adjustments	Balance at December 31, 2020
Balmoral	\$ 213,201	\$ -	\$ 53,280	\$ 7,951	\$ 37,669	\$ -	\$ -	\$ 236,763
Campbell Lodge	(6,850)	-	45,000	3,063	79,031	-	(5,000)	(42,818)
Colwood Lodge	234,657	-	60,000	7,798	3,640	-	-	298,815
Constance Court	243,842	52,612	6,240	7,736	70,838	-	(4,750)	234,842
Dahli Place	251,580	-	81,600	10,184	56,357	-	-	287,007
Dowler Lodge	70,627	-	39,600	3,810	35,522	-	(6,800)	71,715
Esquimalt Lions Lodge	383,024	-	-	10,023	370	-	-	392,677
Forest Heights	60,135	-	20,064	2,150	2,038	-	-	80,311
Grafton Lodge	349,531	-	-	9,936	30,518	-	-	328,949
Nigel Square	(2,800)	-	12,960	1,219	11,454	-	(10,253)	(10,328)
Parsons at Brentwood	-	-	44,000	1,246	3,664	-	-	41,582
Pembroke Mews	113,774	-	20,100	3,972	18,054	-	-	119,792
Sitkum Lodge	125,376	-	90,000	6,659	39,324	-	-	182,711
Sutcliffe Court	13,179	-	7,200	561	1,065	-	-	19,875
Tillicum Terrace	63,933	-	38,160	3,681	38,708	-	-	67,066
Townley Place	-	-	-	62	2,363	-	-	(2,301)
Unrealized gain on investments	172,071	-	-	-	-	177,147	-	349,218
	\$ 2,285,280	\$ 52,612	\$ 518,204	\$ 80,051	\$ 430,615	\$ 177,147	\$ (26,803)	\$ 2,655,876

# GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2019

	Balance at December 31, 2018	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income	Expenditures	Unrealized loss on investments	Transfer to Operating Fund	Balance at December 31, 2019
Balmoral	\$ 198,640	\$ -	\$ 53,280	\$ 8,532	\$ 47,251	\$ -	\$ -	\$ 213,201
Campbell Lodge	26,281	-	30,000	3,507	66,638	-	-	(6,850)
Colwood Lodge	195,312	-	45,000	7,220	12,875	-	-	234,657
Constance Court	270,644	-	6,240	9,098	42,140	-	-	243,842
Dahli Place	194,508	-	61,200	7,627	11,755	-	-	251,580
Dowler Lodge	55,284	-	39,600	3,497	27,754	-	-	70,627
Esquimalt Lions Lodge	328,129	-	46,200	10,733	2,038	-	-	383,024
Forest Heights	43,275	-	20,000	1,950	5,090	-	-	60,135
Grafton Lodge	381,800	-	-	12,155	44,424	-	-	349,531
Nigel Square	11,852	-	12,960	1,539	29,151	-	-	(2,800)
Pembroke Mews	92,621	-	20,000	3,272	2,119	-	-	113,774
Sitkum Lodge	122,032	-	54,000	6,654	57,310	-	-	125,376
Sutcliffe Court	10,137	-	7,200	631	4,789	-	-	13,179
Tillicum Terrace	51,533	-	38,160	3,389	29,149	-	-	63,933
Townley Place	-	-	-	-	-	-	-	-
Unrealized gain on investments	44,951	-	-	-	-	127,120	-	172,071
	<b>\$ 2,026,999</b>	<b>\$ -</b>	<b>\$ 433,840</b>	<b>\$ 79,804</b>	<b>\$ 382,483</b>	<b>\$ 127,120</b>	<b>\$ -</b>	<b>\$ 2,285,280</b>