

Financial Statements of

**GREATER VICTORIA  
HOUSING SOCIETY**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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## 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, 2019
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions of the agreements between the Entity and Canada Mortgage and Housing Corporation ("CMHC") and British Columbia Housing Management Commission ("BCHMC").

#### ***Basis for Opinion***

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

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

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

#### ***Emphasis of Matter – Financial Reporting Framework***

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

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



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

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation 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 on a basis consistent with that of the preceding year.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
April 15, 2020

# GREATER VICTORIA HOUSING SOCIETY

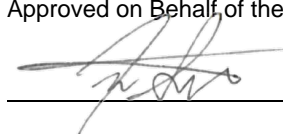
## Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Assets</b>		
Current assets:		
Cash	\$ 3,585,132	\$ 1,460,466
Short-term investments and term deposits, at fair value	388,778	432,980
Cash held in trust (note 2)	34,933	31,133
Accounts receivable	3,055,002	2,122,835
Prepaid expenses	82,648	60,127
	<u>7,146,493</u>	<u>4,107,541</u>
Replacement reserve fund, held in short-term investments and term deposits, at fair value	2,285,280	2,026,999
Capital assets (note 3)	71,545,178	50,391,853
	<u>\$ 80,976,951</u>	<u>\$ 56,526,393</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,457,801	\$ 2,290,298
Accrued mortgage interest payable	67,492	71,330
Current portion of mortgages payable (note 4)	1,694,437	1,607,943
Deferred revenue	139,612	148,470
Due to BCHMC (note 5)	31,000,175	10,255,830
Loans payable – pre-construction funding (note 6)	1,012,271	-
	<u>39,371,788</u>	<u>14,373,871</u>
Mortgages payable (note 4)	26,823,902	28,523,997
Forgivable loans (note 7)	1,467,623	1,473,939
Loans payable – Townley Lodge (note 8)	75,000	110,000
Loan payable – Grafton Lodge (note 9)	84,033	106,350
	<u>67,822,346</u>	<u>44,588,157</u>
<b>Fund Balances</b>		
Operating Fund:		
Externally restricted	(611,777)	(791,751)
Internally restricted (note 10)	1,061,884	1,028,218
	<u>450,107</u>	<u>236,467</u>
Capital Fund:		
Invested in capital assets	10,300,871	9,289,688
Externally restricted	118,347	385,082
	<u>10,419,218</u>	<u>9,674,770</u>
Replacement Reserve Fund (Schedule 2):		
Externally restricted	1,412,834	1,368,466
Internally restricted	872,446	658,533
	<u>2,285,280</u>	<u>2,026,999</u>
	<u>13,154,605</u>	<u>11,938,236</u>
Contingency (notes 7 and 11(b))		
Commitments (notes 7 and 15)		
Subsequent events (note 17)		
	<u>\$ 80,976,951</u>	<u>\$ 56,526,393</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, 2019, with comparative information for 2018

	Restricted Funds			Total 2019	Total 2018
	Operating Fund (Schedule 1)	Capital Fund	Replacement Reserve Fund (Schedule 2)		
<b>Revenue:</b>					
Tenant rent contributions	\$ 4,740,345	\$ -	\$ -	\$ 4,740,345	\$ 4,450,938
Rent supplements (note 11(a))	1,427,075	-	-	1,427,075	1,587,944
Interest reduction grants (note 11(a))	5,589	-	-	5,589	34,693
Island Health services paid by tenants	-	-	-	-	16,944
Island Health subsidy	-	-	-	-	133,651
Laundry	84,479	-	-	84,479	83,798
Heat and light recovery	20,435	-	-	20,435	36,106
Cable recovery	233,901	-	-	233,901	219,679
Investment income	62,940	-	79,804	142,744	100,589
Unrealized gain (loss) on investments	36,960	-	127,120	164,080	(99,299)
Loan forgiveness - Campbell Lodge (note 7(c))	50,000	-	-	50,000	-
Loan forgiveness - Pembroke Mews (note 7(a))	-	40,000	-	40,000	40,000
Loan forgiveness - Townley (note 8)	-	35,000	-	35,000	-
Development grants	-	168,000	-	168,000	554,000
Other	320,725	(6,134)	-	314,591	280,481
	6,982,449	236,866	206,924	7,426,239	7,439,524
<b>Expenses:</b>					
Amortization	1,431,663	-	-	1,431,663	1,597,053
Mortgage interest	832,098	-	-	832,098	912,252
Janitor - maintenance salaries	799,705	-	-	799,705	745,797
Administration	662,960	-	-	662,960	682,108
Heat, hydro and hot water	448,599	-	-	448,599	425,817
Maintenance	409,764	-	-	409,764	440,292
Replacement reserve expenditures	-	-	382,483	382,483	356,501
Property taxes	187,691	-	-	187,691	164,662
Water	290,833	-	-	290,833	283,376
Cablevision	235,852	-	-	235,852	214,188
Island Health expenses	-	-	-	-	90,909
Garbage	221,565	-	-	221,565	204,315
Insurance	193,163	-	-	193,163	165,415
Other	20,257	-	-	20,257	25,678
Audit and legal	42,807	-	-	42,807	32,845
Capital improvements	90,154	-	-	90,154	221,416
Replacement reserve allocation	433,840	-	(433,840)	-	-
	6,300,951	-	(51,357)	6,249,594	6,562,624
Excess of revenue over expenses, before the following	681,498	236,866	258,281	1,176,645	876,900
Recovery of deficit (note 11(b))	39,724	-	-	39,724	66,704
Excess of revenue over expenses	721,222	236,866	258,281	1,216,369	943,604
Fund balances, beginning of year	236,467	9,674,770	2,026,999	11,938,236	10,994,632
Interfund transfers:					
Capital - amortization, principal payments, purchases	(507,582)	507,582	-	-	-
Fund balances, end of year	\$ 450,107	\$ 10,419,218	\$ 2,285,280	\$ 13,154,605	\$ 11,938,236

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses:		
Operating Fund	\$ 721,222	\$ 427,101
Capital Fund	236,866	596,333
Replacement Reserve Fund	258,281	(79,830)
Items not involving cash:		
Amortization of capital assets	1,431,663	1,597,053
Loan forgiveness	(125,000)	(40,000)
Unrealized (gain) loss on investments	(164,080)	99,299
Write down of capital assets - Prosser Road	6,134	-
Change in non-cash operating working capital:		
Accounts receivable	(932,167)	(1,979,184)
Prepaid expenses	(22,521)	(5,786)
Accrued mortgage interest payable	(3,838)	(7,273)
Accounts payable and accrued liabilities	3,167,503	1,588,923
Deferred revenue	(8,858)	(3,469)
	4,565,205	2,193,167
Investing activities:		
Purchase of capital assets	(22,591,122)	(8,850,091)
Increase in cash held in trust	(3,800)	-
Increase in investments	(49,999)	(153,214)
	(22,644,921)	(9,003,305)
Financing activities:		
Principal repayments of mortgages	(1,613,601)	(1,774,483)
Increase in due to BCHMC	20,744,345	8,404,319
Net proceeds (repayment) from loans	989,954	(226,542)
Proceeds from forgivable loans	83,684	445,234
	20,204,382	6,848,528
Increase in cash	2,124,666	38,390
Cash, beginning of the year	1,460,466	1,422,076
Cash, end of year	\$ 3,585,132	\$ 1,460,466

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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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, 2019

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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 Forest Heights, Dahli Place, Esquimalt Lion's Lodge, and Pembroke Mews.

### (c) Financial instruments:

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

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

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

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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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 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.
- (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.

### (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, 2019

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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

### (h) Changes in accounting policies:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions- Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of three new handbook sections in the Accounting Standards for Not-for-Profit Organizations Part III of the Handbook as follows:

- (i) Section 4433, *Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at January 1, 2019.

- (ii) Section 4434, *Intangible assets held by not-for-profit organizations*, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expense should the net carrying value be higher than the asset's fair value or replacement cost.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at January 1, 2019.

- (iii) Section 4441, *Collections held by not-for-profit organizations*, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

The Society does not have any collections.

The amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019.

The implementation of these changes had no impact on the financial statements.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

## 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:

			2019	2018
	Cost	Accumulated amortization	Net	Net
<b>Balmoral Garden Court:</b>				
Land lease prepaid for 60 years	\$ 298,959	146,078	152,881	168,260
Building	5,282,374	2,583,656	2,698,718	2,972,842
	5,581,333	2,729,734	2,851,599	3,141,102
<b>West Saanich Road 7247:</b>				
Land	1,205,408	-	1,205,408	1,205,408
Development in progress	8,252,886	-	8,252,886	2,221,137
	9,458,294	-	9,458,294	3,426,545
<b>Campbell Lodge:</b>				
Land	2,452,727	-	2,452,727	2,452,727
Building	2,517,895	711,173	1,806,722	1,862,529
Furniture and equipment	95,697	27,029	68,668	70,789
Landscaping and site improvement	21,290	-	21,290	21,290
Building envelope	34,290	-	34,290	-
	5,121,899	738,202	4,383,697	4,407,335
<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	196,430	-	196,430	53,094
	3,198,339	1,465,184	1,733,155	1,589,819
<b>Constance Court:</b>				
Land	500,565	-	500,565	500,565
Building	3,440,970	2,349,858	1,091,112	1,259,747
Furniture and equipment	79,144	54,047	25,097	28,975
	4,020,679	2,403,905	1,616,774	1,789,287
<b>Dahli Place:</b>				
Land	2,734,179	-	2,734,179	2,734,179
Building	10,309,771	815,308	9,494,463	9,687,799
	13,043,950	815,308	12,228,642	12,421,978
<b>Dowler Lodge:</b>				
Land	818,159	-	818,159	818,159
Building	3,674,753	2,936,770	737,983	934,861
Furniture and equipment	1,366	1,092	274	348
	4,494,278	2,937,862	1,556,416	1,753,368
<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	332,259	-	332,259	70,694
	1,243,972	447,989	795,983	534,418

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

## 3. Capital assets (continued):

			2019	2018
	Cost	Accumulated amortization	Net	Net
<b>Forest Heights:</b>				
Land	\$ 892,961	-	892,961	892,961
Building	1,183,637	374,896	808,741	837,744
Redevelopment	161,742	-	161,742	48,105
	2,238,340	374,896	1,863,444	1,778,810
<b>Grafton Lodge:</b>				
Land lease prepaid for 35 years	345,600	137,700	207,900	218,700
Building	3,553,238	1,121,788	2,431,450	2,509,087
Furniture and equipment	18,457	18,457	-	-
	3,917,295	1,277,945	2,639,350	2,727,787
<b>Goldstream Avenue 330:</b>				
Land	1,394,730	-	1,394,730	1,394,730
Development in progress	10,211,145	-	10,211,145	1,877,431
	11,605,875	-	11,605,875	3,272,161
<b>Nigel Square:</b>				
Land lease prepaid for 60 years	301,240	174,272	126,968	144,214
Building	1,290,578	746,621	543,957	617,840
Nigel Valley development in progress	603,205	-	603,205	152,910
	2,195,023	920,893	1,274,130	914,964
<b>Pembroke Mews:</b>				
Land	799,243	-	799,243	799,243
Building	2,346,499	256,912	2,089,587	2,126,411
Equipment	93,549	10,245	83,304	84,772
	3,239,291	267,157	2,972,134	3,010,426
<b>Sitkum Lodge:</b>				
Land	1,564,797	-	1,564,797	1,564,797
Building	3,937,351	3,333,065	604,286	637,607
Furniture and equipment	73,191	61,958	11,233	11,853
	5,575,339	3,395,023	2,180,316	2,214,257
<b>Sutcliffe Court:</b>				
Land	140,801	-	140,801	140,801
Building	197,144	102,399	94,745	119,876
	337,945	102,399	235,546	260,677
<b>Tillicum Terrace:</b>				
Land	870,232	-	870,232	870,232
Building	3,213,988	1,756,697	1,457,291	1,644,420
	4,084,220	1,756,697	2,327,523	2,514,652
<b>Townley Lodge:</b>				
Land	11,388	-	11,388	11,388
Redevelopment in progress	11,626,090	-	11,626,090	4,404,842
	11,637,478	-	11,637,478	4,416,230

# GREATER VICTORIA HOUSING SOCIETY

## Notes to Financial Statements

Year ended December 31, 2019

### 3. Capital assets (continued):

			2019	2018
	Cost	Accumulated amortization	Net	Net
Prosser Road:				
Development in progress	\$ -	-	-	3,153
Society:				
Leasehold improvement	162,633	88,581	74,052	88,837
Laundry equipment	183,338	72,568	110,770	126,047
	345,971	161,149	184,822	214,884
	\$ 91,339,521	19,794,343	71,545,178	50,391,853

During the year, the Society capitalized \$56,118 of interest (2018 - \$7,860).

### 4. Mortgages payable:

	2019	2018
Balmoral Garden Court:		
2.81% Mortgage with CMHC, due September 1, 2023 payable \$30,933 per month to include principal and interest	\$ 2,854,186	\$ 3,141,293
Campbell Lodge:		
8% Mortgage with CMHC, due June 1, 2028, payable \$9,808 per month to include principal and interest	727,757	785,684
Campbell Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$10,612 per month to include principal and interest	2,083,351	2,164,321
Colwood Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$5,067 per month to include principal and interest	1,108,113	1,144,324
Constance Court:		
2.25% Mortgage with the CMHC, due December 1, 2021, payable \$16,955 per month to include principal and interest	1,287,999	1,460,512
Constance Court:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$959 per month to include principal and interest	254,664	260,547
Dahli Place:		
2.76% Mortgage with MCAP, due July 1, 2025, payable \$37,814 per month to include principal and interest	9,384,693	9,578,028
Dowler Lodge:		
2.61% Mortgage with CHMC, due November 1, 2023, payable \$18,423 per month to include principal and interest	822,480	1,019,431
Dowler Lodge:		
2.19% Mortgage with MCAP due March 1, 2025 payable \$2,619 per month to include principal and interest	645,224	662,378

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

## 4. Mortgages payable (continued):

	2019	2018
Forest Heights:		
3.45% Mortgage with Vancity, due November 13, 2020, payable \$4,281 per month to include principal and interest	637,275	666,277
Grafton Lodge:		
3.43% Mortgage with MCAP, due April 1, 2024 payable \$12,718 per month to include principal and interest	2,159,287	2,236,924
Nigel Square:		
2.93% Mortgage with CMHC, due August 1, 2021, payable \$9,343 per month to include principal and interest	670,923	762,052
Pembroke Mews:		
3.19% Mortgage with MCAP, due March 1, 2022 payable \$7,688 per month to include principal and interest	1,682,845	1,721,137
Sitkum Lodge:		
2.71% Mortgage with CMHC, due February 1, 2019, payable \$16,982 per month to include principal and interest	-	33,940
Sitkum Lodge:		
3.26% Mortgage with MCAP, due February 1, 2022 payable \$2,855 per month to include principal and interest	344,132	366,857
Sitkum Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$6,394 per month to include principal and interest	1,351,735	1,398,440
Sutcliffe Court:		
1.3% Mortgage with CMHC, due December 1, 2020, payable \$2,212 per month to include principal and interest	94,981	120,112
Sutcliffe Court:		
2.41% Mortgage with Peoples Trust, due May 1, 2026, payable \$536 per month to include principal and interest	129,334	132,634
Tillicum Terrace:		
2.61% Mortgage with CMHC, due December 1, 2023, payable \$19,756 per month to include principal and interest	1,822,368	2,009,498
Tillicum Terrace:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$1,720 per month to include principal and interest	456,992	467,551
	28,518,339	30,131,940
Current portion of long-term debt	1,694,437	1,607,943
	\$ 26,823,902	\$ 28,523,997

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

#### 4. Mortgages payable (continued):

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

	Assuming no mortgage renewal	Assuming mortgage renewal
2020	\$ 1,694,437	\$ 1,625,109
2021	3,054,788	1,668,876
2022	3,241,734	1,719,835
2023	2,990,120	1,744,621
2024	3,410,127	1,573,976

#### 5. Due to BCHMC:

The Society has agreements with BCHMC for West Saanich Road 7247, Townley Street 1780, Goldstream Avenue 330, Nigel Valley and Fleming Street 874 for funding predevelopment and development costs of the respective properties.

	Maximum funding amount	2019	2018
West Saanich Road 7247	\$ 9,155,224	\$ 8,727,051	\$ 3,162,612
Townley Street 1780	15,837,904	10,702,784	4,070,935
Goldstream Avenue 330	25,720,490	10,715,758	2,911,857
Nigel Valley	1,103,466	522,353	110,426
Fleming Street 874	766,625	332,229	-
	\$ 52,583,709	\$ 31,000,175	\$10,255,830

##### (a) West Saanich Road 7247, 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 West Saanich Road 7247, Townley Street 1780, and Goldstream Avenue 330 projects is \$4,500,000, \$6,514,112 and \$10,400,441 respectively. 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, 2019

## 5. Due to BCHMC (continued):

### (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.

## 6. Loans payable – pre-construction funding:

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 (West Saanich Road, Nigel, Goldstream and Townley). 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, 2019, the balance for \$1,012,271 includes the fully drawn amount plus accrued interest.

## 7. Forgivable loans:

	2019	2018
Pembroke Mews - Loan payable to CMHC (Residential Rehabilitation Assistance Program "RRAP")	\$ 293,333	\$ 333,333
Dahli Place	500,000	500,000
Campbell Lodge	450,000	450,606
Campbell Lodge – Envelope	34,290	-
Forest Heights	190,000	190,000
	<u>\$ 1,467,623</u>	<u>\$ 1,473,939</u>

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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## 7. Forgivable loans (continued):

### (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 (2018 - \$40,000) has been recognized during the year ended December 31, 2019 (\$40,000 per year). If the Society is in default of any of the loan terms it will be required to repay the loan including interest at 6.75%.

### (b) Dahli Place:

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

### (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 loan will be forgiven 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 principle 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. If the Society uses the asset for the intended purpose as required by BCHMC, the loan will be forgiven 1/10 each year, commencing in the 1<sup>st</sup> year after completion of construction. As at December 31, 2019, \$34,290 of this loan had been drawn.

### (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 will be forgiven 1/25 each year, commencing in the 11<sup>th</sup> year (2021).

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

## 8. Loans payable – Townley Lodge:

	2019	2018
Loan payable to CMHC - Seed Loan	\$ 10,000	\$ 10,000
Loan payable to CMHC - Proposal Development Funding	65,000	100,000
	<u>\$ 75,000</u>	<u>\$ 110,000</u>

The Society obtained financing for the Townley Lodge redevelopment project in the form of a \$10,000 Seed loan from CMHC. There are no stated interest terms associated with the loan. Subsequent to December 31, 2019, the seed loan was repaid.

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 year-end.

## 9. 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 \$3,683 (2018 - \$3,668) was paid on the repayable assistance during the year. The Society repaid \$22,317 (2018 - \$24,084) of the repayable assistance during the year.

## 10. Operating Fund - internally restricted:

The Society's Board of Directors has internally restricted \$1,061,884 (2018 - \$1,028,218) of the Society's operating fund balance for working capital and future rental accommodation projects. The internally restricted amounts consist of the net operating fund balance of Forest Heights, Dahli Place, Esquimalt Lion's Lodge, Pembroke Mews, and the Society's operating fund balance ("Other" fund per Schedule 1), which are not restricted by BCHMC or CMHC operating agreements. The internally restricted amounts are not to be used for any other purpose without approval by the Board of Directors.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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## 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 2018 fiscal year were finalized by BCHMC in fiscal 2019 and accordingly recorded in the Society's financial statements as recovery (repayment) of surplus/deficit in the statement of operations.

## 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 2018.

- (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 2018.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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

### (c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There has been no change to the risk exposures from 2018.

### (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 2018.

## 13. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$12,184 (2018 - \$5,104), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

## 14. 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, 2019, the Society paid remuneration of \$517,591 to five employees (2018 - \$414,749 to four employees), each of whom received total annual remuneration of \$75,000 or greater. There were no remuneration payments made to directors in 2019 or 2018.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2019

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## 15. Commitments:

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

	Payment
2020	\$ 41,020
2021	41,020
	<hr/> \$ 82,040 <hr/>

The Society has total construction commitments of \$42,556,613 in design and construction contracts funded by BCHMC for the ongoing development of 1780 Townley Street, 330 Goldstream Ave, 7247 West Saanich Road, 874 Fleming Street, 85 Belmont Road, 2558 Quadra Street and the Nigel Valley site.

## 16. Comparative information:

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

## 17. Subsequent events:

Subsequent to December 31, 2019 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.

**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

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Year ended December 31, 2019, with comparative information for 2018

	Balmoral Court		Campbell Lodge		Colwood Lodge		Constance Court		Dahil Place		Dowler Lodge		Esquimalt Lion's Lodge		Forest Heights		Grafton Lodge	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue:</b>																		
Tenant rent contributions	465,227	458,732	529,741	521,419	318,805	282,231	242,128	234,853	855,316	834,268	299,316	293,979	309,885	326,540	176,566	171,118	292,645	268,846
Rent supplements (note 11(a))	284,519	281,874	130,146	131,682	60,798	79,846	175,463	173,780	-	-	259,856	252,468	-	-	-	-	53,071	54,724
Interest reduction grants (note 11(a))	-	-	-	-	-	-	12,338	-	-	-	-	-	-	-	-	-	-	-
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,944
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,651
Laundry	13,000	15,073	8,326	7,436	5,298	4,685	3,665	3,605	7,645	6,791	6,337	6,187	6,107	6,237	2,943	3,133	3,443	2,833
Heat and light recovery	-	-	17,695	17,865	-	4,451	-	-	480	120	-	-	-	-	-	-	-	-
Cable recovery	-	-	50,464	46,882	24,414	23,973	26,883	24,873	-	-	34,584	31,840	34,586	34,521	-	-	19,838	17,658
Investment income	-	-	-	-	-	-	-	-	3,799	-	-	-	-	-	3,636	2,775	-	-
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan forgiveness - Campbell Lodge (note 7(c))	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	93,266	17,028	8,239	5,619	5,087	4,526	3,672	3,004	28,386	29,414	3,913	3,075	4,635	4,098	3,855	3,705	3,938	4,101
	<u>856,012</u>	<u>772,707</u>	<u>794,611</u>	<u>730,903</u>	<u>414,402</u>	<u>412,050</u>	<u>451,811</u>	<u>440,115</u>	<u>895,626</u>	<u>870,593</u>	<u>604,006</u>	<u>587,549</u>	<u>355,213</u>	<u>371,396</u>	<u>187,000</u>	<u>180,731</u>	<u>372,935</u>	<u>498,757</u>
<b>Expenses:</b>																		
Amortization	287,106	279,206	57,927	53,557	-	55,057	171,254	168,696	193,336	188,108	196,951	185,920	-	-	29,003	28,027	88,437	85,841
Mortgage interest	83,676	91,765	105,982	112,344	24,699	26,183	36,411	40,482	260,226	265,539	38,185	54,420	274	442	22,377	23,451	78,592	81,254
Janitor - maintenance salaries	86,727	85,715	103,436	93,820	51,765	55,469	61,580	49,624	67,691	65,806	75,250	66,077	58,400	74,631	21,159	20,330	63,717	43,149
Administration	68,611	67,484	92,582	90,630	46,571	44,531	48,361	46,472	63,452	61,067	61,115	60,457	71,545	69,665	17,394	16,859	38,353	35,069
Heat, hydro and hot water	44,083	40,246	84,551	79,768	46,595	45,314	22,198	19,254	24,670	22,335	34,356	33,707	39,066	41,226	8,470	7,227	20,476	19,258
Maintenance	48,708	50,865	56,177	40,622	18,605	16,124	28,191	30,183	29,150	27,877	41,852	36,105	21,674	32,789	10,497	8,351	21,592	31,542
Replacement reserve allocation	53,280	53,280	30,000	25,918	45,000	12,000	6,240	6,240	61,200	61,200	39,600	23,760	46,200	46,200	20,000	20,000	-	-
Property taxes	23,958	21,032	30,363	24,540	18,533	17,131	15,375	13,881	26,968	24,388	20,811	17,679	-	-	5,024	4,545	5,553	5,940
Water	39,548	39,335	36,081	31,240	10,586	8,407	11,307	13,355	28,234	24,106	27,148	29,436	15,583	11,708	12,090	11,834	6,994	6,707
Cablevision	-	-	49,197	45,352	25,934	23,539	26,303	24,248	-	-	33,123	29,449	38,901	35,723	-	-	19,451	17,260
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,909
Garbage	26,478	28,133	22,839	20,652	17,105	14,038	13,248	12,454	22,693	20,337	16,418	14,112	20,924	21,133	9,104	8,379	13,176	13,198
Insurance	28,049	22,229	23,979	20,362	10,356	9,047	14,272	11,448	18,123	16,469	19,412	15,972	12,388	11,124	6,295	5,528	14,026	11,409
Other	3,436	747	1,329	1,052	632	299	292	949	6,907	8,933	616	543	1,029	5,547	2,200	2,108	981	479
Audit and legal	3,455	3,212	4,886	4,202	2,465	2,091	2,439	2,081	3,872	2,848	3,183	2,757	3,667	3,382	981	798	1,829	1,636
Capital improvements	80,600	4,333	9,554	217,083	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>877,715</u>	<u>787,582</u>	<u>708,883</u>	<u>861,142</u>	<u>318,846</u>	<u>329,230</u>	<u>457,471</u>	<u>439,367</u>	<u>806,522</u>	<u>789,013</u>	<u>608,020</u>	<u>570,394</u>	<u>329,651</u>	<u>353,570</u>	<u>164,594</u>	<u>157,437</u>	<u>373,177</u>	<u>443,651</u>
Excess (deficiency) of revenue over expenses before the following	(21,703)	(14,875)	85,728	(130,239)	95,556	82,820	(5,660)	748	89,104	81,580	(4,014)	17,155	25,562	17,826	22,406	23,294	(242)	55,106
Recovery (repayment) of deficit (surplus) (note 11(b))	12,460	9,804	(7,123)	-	1,325	7,994	5,341	4,495	-	-	669	11,675	-	-	-	-	-	-
Adjustment of prior year's revenue and expenses funded by the Society	2,415	(620)	(495)	121,317	(48,714)	612	(333)	(314)	-	-	(1,039)	1,620	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses	(6,828)	(5,691)	78,110	(8,922)	48,167	91,426	(652)	4,929	89,104	81,580	(4,384)	30,450	25,562	17,826	22,406	23,294	(242)	55,106
Fund balance, beginning of year	(14,875)	(9,184)	(491,414)	(403,266)	47,389	(8,606)	(5,008)	(4,181)	433,785	352,205	370	(13,295)	59,346	41,520	19,892	(3,402)	108,296	42,390
<b>Interfund transfers:</b>																		
Capital - amortization, principal payments, purchase	-	-	(80,970)	(79,226)	(36,211)	(35,431)	(5,883)	(5,756)	-	-	(17,155)	(16,785)	-	-	-	-	10,800	10,800
Transfer from replacement reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ (21,703)	\$ (14,875)	\$ (494,274)	\$ (491,414)	\$ 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

**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

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Year ended December 31, 2019, with comparative information for 2018

	Nigel Square		Pembroke		Sitkum Lodge		Sutcliffe Court		Tillicum Terrace		Townley Lodge		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue:</b>																
Tenant rent contributions	126,450	111,472	222,503	219,452	531,592	380,206	56,254	53,927	313,917	293,895	-	-	-	-	4,740,345	4,450,938
Rent supplements (note 11(a))	89,935	111,640	-	-	121,717	245,876	35,905	34,323	215,665	221,731	-	-	-	-	1,427,075	1,587,944
Interest reduction grants (note 11(a))	-	-	-	-	5,589	22,355	-	-	-	-	-	-	-	-	5,589	34,693
Island Health services paid by tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,944
Island Health subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,651
Laundry	-	-	1,584	1,548	8,677	9,457	-	-	2,176	1,535	-	-	15,278	15,278	84,479	83,798
Heat and light recovery	-	-	-	-	2,160	13,350	-	-	100	320	-	-	-	-	20,435	36,106
Cable recovery	-	-	-	-	38,196	35,412	4,936	4,520	-	-	-	-	-	-	233,901	219,679
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	55,505	60,562	62,940	63,337
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	36,960	-	36,960	-
Loan forgiveness - Campbell Lodge (note 7(c))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-
Other	100	275	150	25	4,646	4,733	-	-	9,270	13,368	-	-	151,568	185,177	320,725	278,148
	<u>216,485</u>	<u>223,387</u>	<u>224,237</u>	<u>221,025</u>	<u>712,577</u>	<u>711,389</u>	<u>97,095</u>	<u>92,770</u>	<u>541,128</u>	<u>530,849</u>	<u>-</u>	<u>-</u>	<u>259,311</u>	<u>261,017</u>	<u>6,982,449</u>	<u>6,905,238</u>
<b>Expenses:</b>																
Amortization	91,130	88,517	38,292	37,099	35,923	200,119	25,112	24,807	187,130	172,037	-	-	30,062	30,062	1,431,663	1,597,053
Mortgage interest	20,868	23,479	53,956	55,205	41,837	46,968	4,547	4,971	59,790	85,082	-	-	678	667	832,098	912,252
Janitor - maintenance salaries	27,112	20,337	20,975	22,181	82,027	68,366	17,042	12,306	62,852	65,275	-	-	(28)	2,711	799,705	745,797
Administration	16,843	17,598	22,742	22,034	69,843	66,347	9,194	10,228	49,097	48,929	-	-	(12,743)	24,738	662,960	682,108
Heat, hydro and hot water	1,716	1,156	6,174	5,415	90,338	85,053	9,138	8,687	16,768	17,171	-	-	-	-	448,599	425,817
Maintenance	14,819	8,642	25,584	21,040	47,529	54,427	6,340	4,961	35,614	73,301	-	-	3,432	3,463	409,764	440,292
Replacement reserve allocation	12,960	12,960	20,000	18,000	54,000	18,000	7,200	3,000	38,160	38,160	-	-	-	-	433,840	338,718
Property taxes	8,874	7,556	24	24	14,741	12,501	3,080	2,713	14,387	12,732	-	-	-	-	187,691	164,662
Water	23,682	21,673	5,001	11,196	41,417	40,468	2,780	3,469	30,382	30,442	-	-	-	-	290,833	283,376
Cablevision	-	-	-	-	37,766	34,127	4,879	4,490	298	-	-	-	-	-	235,852	214,188
Island Health expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,909
Garbage	13,232	9,151	7,755	7,057	20,404	17,566	1,472	1,221	16,717	16,884	-	-	-	-	221,565	204,315
Insurance	7,373	7,012	302	1,539	19,730	16,896	3,569	3,974	15,289	12,406	-	-	-	-	193,163	165,415
Other	93	209	129	121	606	654	149	98	271	3,260	-	-	1,587	679	20,257	25,678
Audit and legal	1,680	768	1,151	1,031	3,501	3,121	475	424	2,473	2,424	-	-	6,750	2,070	42,807	32,845
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,154	221,416
	<u>240,382</u>	<u>219,058</u>	<u>202,085</u>	<u>201,942</u>	<u>559,662</u>	<u>664,613</u>	<u>94,977</u>	<u>85,349</u>	<u>529,228</u>	<u>578,103</u>	<u>-</u>	<u>-</u>	<u>29,738</u>	<u>64,390</u>	<u>6,300,951</u>	<u>6,544,841</u>
Excess (deficiency) of revenue over expenses before the following	(23,897)	4,329	22,152	19,083	152,915	46,776	2,118	7,421	11,900	(47,254)	-	-	229,573	196,627	681,498	360,397
Recovery (repayment) of deficit (surplus) (note 11(b))	(4,112)	(8,299)	-	-	21,360	17,356	(4,161)	(5,418)	13,965	29,097	-	-	-	-	39,724	66,704
Adjustment of prior year's revenue and expenses funded by the Society	(217)	1,021	-	-	42,285	385	-	9	43,628	(2,162)	-	-	(37,530)	(121,868)	-	-
Excess (deficiency) of revenue over expenses	<u>(28,226)</u>	<u>(2,949)</u>	<u>22,152</u>	<u>19,083</u>	<u>216,560</u>	<u>64,517</u>	<u>(2,043)</u>	<u>2,012</u>	<u>69,493</u>	<u>(20,319)</u>	<u>-</u>	<u>-</u>	<u>192,043</u>	<u>74,759</u>	<u>721,222</u>	<u>427,101</u>
Fund balance, beginning of year	4,329	7,278	151,139	132,056	(387,782)	(406,600)	4,537	5,747	(57,593)	(26,935)	-	146,764	364,056	(30,557)	236,467	(178,066)
<b>Interfund transfers:</b>																
Capital - amortization, principal payments, purchase	-	-	-	-	(46,705)	(45,699)	(3,299)	(3,222)	(10,558)	(10,339)	-	-	(317,601)	(156,892)	(507,582)	(342,550)
Transfer from replacement reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	329,982	-	329,982
Interfund transfer	-	-	-	-	-	-	-	-	-	-	-	(146,764)	-	146,764	-	-
Fund balance, end 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	450,107	\$ 236,467



# 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 gain 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 Lodge	-	-	-	-	-	-	-	-
Unrealized gain (loss) on investments	44,951	-	-	-	-	127,120	-	172,071
	\$ 2,026,999	\$ -	\$ 433,840	\$ 79,804	\$ 382,483	\$ 127,120	\$ -	\$ 2,285,280

# GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2018

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