

Financial Statements of

**GREATER VICTORIA  
HOUSING SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2022

# INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022 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 “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s 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.

***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.

***Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

Chartered Professional Accountants

Victoria, Canada  
DATE

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 2,392,885	\$ 2,877,859
Cash held in trust (note 2)	70,876	93,066
Term deposits (note 3)	1,493,286	1,485,192
Accounts receivable	1,763,836	828,426
Prepaid expenses	129,885	123,026
	<u>5,850,768</u>	<u>5,407,569</u>
Restricted for replacement reserve fund (note 4):		
Cash	190,837	263,596
Investments	2,546,506	2,432,081
Investments (note 4)	209,208	565,801
Capital assets (note 5)	109,748,605	93,066,683
	<u>\$ 118,545,924</u>	<u>\$ 101,735,730</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 3,042,153	\$ 2,196,419
Accrued mortgage interest payable	108,766	98,678
Current portion of mortgages payable (note 7)	5,580,607	4,019,827
Deferred revenue	212,851	204,909
Due to BCHMC (note 8)	10,434,417	7,584,698
Loans payable - pre-construction funding (note 9)	2,100,146	2,058,565
	<u>21,478,940</u>	<u>16,163,096</u>
Mortgages payable (note 7)	45,981,334	44,557,798
Loans payable to CMHC (note 10)	484,004	500,625
	<u>67,944,278</u>	<u>61,221,519</u>
<b>Fund Balances</b>		
Operating Fund:		
Externally restricted	946,536	753,687
Internally restricted (note 11)	2,520,812	2,178,230
	<u>3,467,348</u>	<u>2,931,917</u>
Capital Fund:		
Invested in capital assets	44,278,608	34,768,270
Externally restricted	118,347	118,347
	<u>44,396,955</u>	<u>34,886,617</u>
Replacement Reserve Fund (Schedule 2):		
Externally restricted	1,693,758	1,973,498
Internally restricted	1,043,585	722,179
	<u>2,737,343</u>	<u>2,695,677</u>
	50,601,646	40,514,211
Commitments (note 15)		
Contingencies (notes 8, 12(b) and 16)		
	<u>\$ 118,545,924</u>	<u>\$ 101,735,730</u>

See accompanying notes to financial statements.

Approved on Behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

DRAFT April 10, 2023

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Operations and Changes in Fund Balances

Year ended December 31, 2022, with comparative information for 2021

	Restricted Funds			Total 2022	Total 2021
	Operating Fund (Schedule 1)	Capital Fund	Replacement Reserve Fund (Schedule 2)		
<b>Revenue:</b>					
Tenant rent contributions	\$ 7,537,005	\$ -	\$ -	\$ 7,537,005	\$ 6,086,233
Rent supplements (note 12(a))	1,643,753	-	-	1,643,753	1,588,054
Laundry	110,954	-	-	110,954	91,463
Heat and light recovery	17,583	-	-	17,583	17,868
Cable recovery	207,528	-	-	207,528	205,600
Investment income	85,561	-	57,191	142,752	137,550
Unrealized gain (loss) on investments	(66,378)	-	(316,248)	(382,626)	78,210
Forgivable loans granted (note 16(d) and (f))	-	3,589,844	-	3,589,844	24,246,721
Development grants	-	-	-	-	38,561
Other	366,426	-	219,037	585,463	479,910
	9,902,432	3,589,844	(40,020)	13,452,256	32,970,170
<b>Expenses:</b>					
Amortization	2,726,881	-	-	2,726,881	2,263,947
Mortgage interest	1,295,280	-	-	1,295,280	993,734
Janitor - maintenance salaries	1,044,591	-	-	1,044,591	872,462
Administration	1,029,734	-	-	1,029,734	906,985
Heat, hydro and hot water	512,228	-	-	512,228	490,182
Maintenance	649,070	-	-	649,070	494,589
Replacement reserve expenditures	-	-	661,930	661,930	277,085
Property taxes	277,732	-	-	277,732	217,505
Water	437,384	-	-	437,384	352,532
Cablevision	202,670	-	-	202,670	226,403
Garbage	449,335	-	-	449,335	309,690
Insurance	419,386	-	-	419,386	342,121
Other	30,895	-	-	30,895	29,882
Audit and legal	52,171	-	-	52,171	46,570
Capital improvements	-	-	-	-	47,189
Replacement reserve allocation	749,021	-	(749,021)	-	-
	9,876,378	-	(87,091)	9,789,287	7,870,876
Excess of revenue over expenses, before the following	26,054	3,589,844	47,071	3,662,969	25,099,294
Loss on disposal of Esquimalt Lion's Lodge	-	-	-	-	(390,265)
Recovery of deficit (note 12(b))	8,320	-	-	8,320	85,429
Excess of revenue over expenses	34,374	3,589,844	47,071	3,671,289	24,794,458
Fund balances, beginning of year	2,931,917	34,886,617	2,695,677	40,514,211	15,719,753
Acquisition of Vic-West Housing Society (note 17)	-	6,416,146	-	6,416,146	
Interfund transfers:					
Capital - amortization, principal payments, purchases	495,652	(495,652)	-	-	-
BCHMC replacement reserve review adjustments	5,405	-	(5,405)	-	-
<b>Fund balances, end of year</b>	<b>\$ 3,467,348</b>	<b>\$ 44,396,955</b>	<b>\$ 2,737,343</b>	<b>\$ 50,601,646</b>	<b>\$ 40,514,211</b>

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses:		
Operating Fund	\$ 34,374	\$ 356,994
Capital Fund	3,589,844	23,955,017
Replacement Reserve Fund	47,071	482,447
Items not involving cash:		
Amortization of capital assets	2,726,881	2,263,947
Loss on disposal of Esquimalt Lions's Lodge	-	390,265
Unrealized loss (gain) on investments	382,626	(78,210)
Change in non-cash operating working capital:		
Accounts receivable	(935,410)	684,249
Prepaid expenses	(6,859)	(31,901)
Accrued mortgage interest payable	10,088	35,155
Accounts payable and accrued liabilities	845,734	(1,395,338)
Deferred revenue	7,942	73,949
	6,702,291	26,736,574
Investing activities:		
Purchase of capital assets	(12,300,487)	(9,981,991)
Decrease (increase) in cash held in trust	22,190	(57,789)
Decrease (increase) in restricted cash	72,759	(263,596)
Increase in term deposits	(8,094)	(455,377)
Decrease (increase) in investments	(140,458)	46,031
	(12,354,090)	(10,712,722)
Financing activities:		
Principal repayments of mortgages	(2,363,037)	(1,802,839)
Proceeds from mortgages	4,655,183	23,487,129
Increase (decrease) in due to BCHMC	2,849,719	(38,406,351)
Net proceeds from loans	24,960	603,233
	5,166,825	(16,118,828)
Decrease in cash	(484,974)	(94,976)
Cash, beginning of the year	2,877,859	2,972,835
Cash, end of year	\$ 2,392,885	\$ 2,877,859

See accompanying notes to financial statements.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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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) Certain 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.
- (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, 2022

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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, Pembroke Mews, Parsons at Brentwood, Goldstream Avenue 330 and Townley Place.

### (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, 2022

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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, Townley Place, and Goldstream Avenue 330 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.

Revenue from tenant rent contributions is recognized as accommodation is provided.

### (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, 2022

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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. Estimates include the useful lives for certain of the Society's capital assets. Actual results could differ from these estimates.

#### (h) Adoption of new accounting standard:

*Section 4449, Combinations by Not-For-Profit Organizations*, provides guidance for the recognition and measurement of combinations by not-for-profit organizations. In the new standard, not-for-profit organizations are directed to assess each combination based on criteria outlined in the standard, and accordingly account for the combination as either a merger or acquisition.

This section is effective for fiscal years beginning on or after January 1, 2022 and is applied on a prospective basis to combinations entered into from the beginning of the fiscal year in which the standard is first applied. The Society has adopted this standard for its fiscal year beginning on January 1, 2022.

### 2. Cash held in trust:

Cash held in trust is held by BCHMC for the payment of construction costs for Dahli Place and Townley Place (2021 - Dahli Place, Townley Place and Pembroke Mews). Any remaining funds after the payout of the construction costs will be used to reduce the mortgage payable.

### 3. Term deposits:

Term deposits consist of non-redeemable deposits held with Vancity with original terms of either twelve or eighteen months with interest rates ranging from 0.7% to 4.5% (2021 – 0.7% to 1.0%). The term deposits with interest rates of 0.7% total \$675,743 and mature on February 11, 2023 and the term deposits with interest rates of 4.5% total \$817,543 and mature on December 20, 2023.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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## 4. Investments

The Society's portfolio of investments are managed by an investment management company. The Society records these investments at market value based on reported values established by the fund manager. Investments consists of the following:

	2022	2021
Cash	\$ 190,837	\$ 263,596
Fixed income	926,803	1,039,805
Multi-class equities	1,828,911	1,958,077
	<hr/>	<hr/>
	\$2,946,551	\$3,261,478

A portion of the investment portfolio is restricted for replacement reserves and the remainder is unrestricted operating investments.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

## 5. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net	Net
<b>Balmoral Garden Court:</b>				
Land lease prepaid for 60 years	\$ 298,959	194,795	104,164	120,885
Building	5,282,375	3,444,452	1,837,923	2,133,377
Building envelope in progress	75,782	-	75,782	22,606
	5,657,116	3,639,247	2,017,869	2,276,868
<b>Bayview:</b>				
Development in progress	24,931	-	24,931	-
<b>Parsons at Brentwood:</b>				
Land	1,205,408	-	1,205,408	1,205,408
Building	8,701,321	510,860	8,190,461	8,325,438
	9,906,729	510,860	9,395,869	9,530,846
<b>Campbell Lodge:</b>				
Land	2,452,727	-	2,452,727	2,452,727
Building	2,517,895	906,736	1,611,159	1,681,772
Furniture and equipment	95,697	34,462	61,235	63,919
Landscaping and site improvement	21,290	-	21,290	21,290
Building envelope in progress	7,062,233	-	7,062,233	3,196,413
	12,149,842	941,198	11,208,644	7,416,121
<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 – Belmont Road	918,301	-	918,301	881,871
	3,920,210	1,465,184	2,455,026	2,418,596
<b>Constance Court:</b>				
Land	500,565	-	500,565	500,565
Building	3,440,970	2,880,805	560,165	742,890
Furniture and equipment	79,144	66,259	12,885	17,088
	4,020,679	2,947,064	1,073,615	1,260,543
<b>Dahli Place:</b>				
Land	2,734,179	-	2,734,179	2,734,179
Building	10,309,771	1,427,357	8,882,414	9,092,320
	13,043,950	1,427,357	11,616,593	11,826,499
<b>Dowler Lodge:</b>				
Land	818,159	-	818,159	818,159
Building	3,674,753	3,558,196	116,557	329,362
Furniture and equipment	1,367	1,323	44	123
	4,494,279	3,559,519	934,760	1,147,644
<b>Esquimalt Lions' Lodge:</b>				
Land	73,459	-	73,459	73,459
Redevelopment - Fleming Street	9,466,522	-	9,466,522	1,597,546
	9,539,981	-	9,539,981	1,671,005
<b>Forest Heights:</b>				
Land	892,961	-	892,961	892,961
Building	1,183,637	472,145	711,492	746,744
Redevelopment in progress	449,871	-	449,871	420,936
	2,526,469	472,145	2,054,324	2,060,641

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

## 5. Capital assets (continued):

			2022	2021
	Cost	Accumulated amortization	Net	Net
<b>Grafton Lodge:</b>				
Land lease prepaid for 35 years	\$ 345,600	170,100	175,500	186,300
Building	3,553,238	1,370,789	2,182,449	2,268,425
Furniture and equipment	18,457	18,457	-	-
	3,917,295	1,559,346	2,357,949	2,454,725
<b>Goldstream Avenue 330:</b>				
Land	1,394,730	-	1,394,730	1,394,730
Building	24,625,055	779,793	23,845,262	24,337,788
	26,019,785	779,793	25,239,992	25,732,518
<b>Nigel Square:</b>				
Land lease prepaid for 60 years	301,240	229,927	71,313	90,736
Building	1,290,578	985,063	305,515	388,730
Development in progress	1,944,750	-	1,944,750	1,601,700
	3,536,568	1,214,990	2,321,578	2,081,166
<b>Pembroke Mews:</b>				
Land	799,243	-	799,243	799,243
Building	2,346,499	375,698	1,970,801	2,012,568
Equipment	93,548	14,979	78,569	80,234
	3,239,290	390,677	2,848,613	2,892,045
<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	11,234
Building envelope in progress	13,825	-	13,825	-
	5,589,165	3,395,023	2,194,142	2,180,317
<b>Sutcliffe Court:</b>				
Land	140,801	-	140,801	140,801
Building	197,144	179,829	17,315	43,413
	337,945	179,829	158,116	184,214
<b>Tillicum Terrace:</b>				
Land	870,232	-	870,232	870,232
Building	3,213,988	2,347,383	866,605	1,068,903
Building envelope in progress	27,366	-	27,366	5,033
	4,111,586	2,347,383	1,764,203	1,944,168
<b>Townley Place:</b>				
Land	11,388	-	11,388	11,388
Building	16,202,807	674,951	15,527,856	15,851,831
	16,214,195	674,951	15,539,244	15,863,219
<b>Victoria West</b>				
Land lease	1,907,193	53,423	1,853,770	-
Building	5,201,123	146,374	5,054,749	-
	7,108,316	199,797	6,908,519	-
<b>Society:</b>				
Leasehold improvement	162,633	132,934	29,699	44,483
Laundry equipment	183,339	118,401	64,938	81,065
	345,972	251,335	94,637	125,548
	\$ 135,704,303	25,955,698	109,748,605	93,066,683

During the year, the Society capitalized \$57,460 of interest (2021 - \$79,876).

DRAFT April 10, 2023

# GREATER VICTORIA HOUSING SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

### 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$30,557 (2021 - \$27,511), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

### 7. Mortgages payable:

	2022	2021
Balmoral Garden Court:		
2.81% Mortgage with CMHC, due September 1, 2023 payable \$30,933 per month to include principal and interest	\$ 1,943,179	\$ 2,255,375
Campbell Lodge:		
8% Mortgage with CMHC, due June 1, 2028, payable \$9,808 per month to include principal and interest	524,039	597,336
Campbell Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$10,612 per month to include principal and interest	1,829,584	1,916,002
Colwood Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$5,067 per month to include principal and interest	994,624	1,033,281
Constance Court:		
1.57% Mortgage with the CMHC, due October 1, 2026, payable \$16,680 per month to include principal and interest	744,251	931,179
Constance Court:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$959 per month to include principal and interest	236,225	242,506
Dahli Place:		
2.76% Mortgage with MCAP, due July 1, 2025, payable \$37,814 per month to include principal and interest	8,771,847	8,981,753
Dowler Lodge:		
2.61% Mortgage with CHMC, due November 1, 2023, payable \$18,423 per month to include principal and interest	200,042	412,926
Dowler Lodge:		
2.19% Mortgage with MCAP due March 1, 2025 payable \$2,619 per month to include principal and interest	591,460	609,773
Forest Heights:		
2.50% Mortgage with Vancity, due October 7, 2023, payable \$4,096 per month to include principal and interest	539,610	574,862
Goldstream		
2.03% Mortgage with MCAP, due September 1, 2031 payable \$49,178 per month to include principal and interest	14,430,314	14,725,643
Grafton Lodge:		
3.43% Mortgage with MCAP, due April 1, 2024 payable \$12,718 per month to include principal and interest	1,909,887	1,995,863
Nigel Square:		
1.01% Mortgage with CMHC, due July 1, 2026, payable \$8,916 per month to include principal and interest	376,396	479,034
Parsons at Brentwood:		
3.58% Mortgage with Scotiabank, due May 1, 2032 payable \$19,384 per month to include principal and interest	4,615,683	-
Pembroke Mews:		
2.82% Mortgage with Peoples Group, due March 1, 2032 payable \$7,276 per month to include principal and interest	1,535,797	1,602,529
Balance carried forward	39,242,938	36,358,062

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

## 7. Mortgages payable (continued):

	2022	2021
Balance carried forward	39,242,938	36,358,062
Sitkum Lodge:		
2.68% Mortgage with MCAP, due February 1, 2032 payable \$2,778 per month to include principal and interest	270,831	296,418
Sitkum Lodge:		
2.19% Mortgage with MCAP, due March 1, 2025 payable \$6,394 per month to include principal and interest	1,205,359	1,255,217
Sutcliffe Court:		
0.62% Mortgage with CMHC, due August 1, 2023, payable \$2,191 per month to include principal and interest	17,488	43,586
Sutcliffe Court:		
2.41% Mortgage with Peoples Group, due May 1, 2026, payable \$536 per month to include principal and interest	118,949	122,494
Tillicum Terrace:		
2.61% Mortgage with CMHC, due December 1, 2023, payable \$19,756 per month to include principal and interest	1,230,970	1,433,238
Tillicum Terrace:		
2.19% Mortgage with MCAP, due March 1, 2025, payable \$1,720 per month to include principal and interest	423,905	435,175
Townley:		
2.20% Mortgage with Coast Capital, due August 1, 2031, payable \$29,612 per month to include principal and interest	8,465,027	8,633,435
Victoria West:		
3.91% Mortgage with CMHC, due December 1, 2026, payable \$13,210 per month to include principal and interest	586,474	-
	51,561,941	48,577,625
Current portion of long-term debt	5,580,607	4,019,827
	\$ 45,981,334	\$ 44,557,798

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

	Assuming no mortgage renewal	Assuming mortgage renewal
2023	\$ 5,580,607	\$ 2,431,335
2024	3,422,072	2,272,371
2025	14,371,248	2,333,084
2026	1,250,092	2,316,471
2027	782,981	1,985,828



# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

## 8. Due to BCHMC:

The Society has agreements with BCHMC for funding predevelopment and development costs of several properties as follows:

	Maximum funding amount	2022	2021
Parsons at Brentwood	\$ 9,155,224	\$ 85,830	\$ 4,684,877
Nigel Valley	1,458,165	1,474,722	1,440,397
Fleming Street 874	45,191,866	8,722,124	1,308,182
Colwood - 85 Belmont Road	151,242	151,741	151,242
	<u>\$ 55,956,497</u>	<u>\$ 10,434,417</u>	<u>\$ 7,584,698</u>

### (a) Parsons at Brentwood:

The funding provided for this development project is a combination of loan and forgivable loan (grant). The maximum forgivable loan portion for the project is \$4,500,000. During 2021, the forgivable loan portion of the funding was determined by BCHMC upon final accounting for the project and recognized as revenue of the capital fund. The maximum amount was awarded. A mortgage was taken on the project during the year (see note 7). The remaining amount owing relates to costs incurred after the mortgage was determined and approved. The Society will repay these amounts in 2023.

If the Society continues to develop, use and operate the property for the intended purposes as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year. Payments of interest are not required unless there is a default under the loan or Operating Agreement at which time interest will be payable on the balance of the principle outstanding as at the date of default at a rate of prime plus 2%.

### (b) Nigel Valley:

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

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

## 8. Due to BCHMC (continued):

### (c) Fleming Street 874:

The funding provided for this development project is a combination of loan and forgivable loan (grant). The maximum forgivable loan portion for the project is \$14,534,330. Upon project completion, the total loan advanced will be repaid to BCHMC, in full, from the proceeds of the initial advance of the approved mortgage.

If the Society continues to develop, use and operate the property for the intended purposes as required by BCHMC, the loan will be forgiven 1/25 each year, commencing in the 11th year. Payments of interest are not required unless there is a default under the loan or Operating Agreement at which time interest will be payable on the balance of the principle outstanding as at the date of default at a rate of prime plus 2%.

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

During 2020, 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.

## 9. 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 \$1,000,000 to be used for three additional development and redevelopment projects (Forest Heights, Colwood Lodge, and Fleming Street 784). 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, 2022, the balance of \$2,100,146 (2021 - \$2,058,565) includes draws of \$2,000,000 plus accrued interest.

## 10. Loans payable to CMHC:

	2022	2021
Colwood - 85 Belmont Road Seed Loan	\$ 286,980	\$ 286,980
Forest Heights Seed Loan	180,000	180,000
Grafton Lodge Repayable Assistance	17,024	33,645
	<u>\$ 484,004</u>	<u>\$ 500,625</u>

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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

### (a) 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.

### (b) 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.

### (c) 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 \$599 (2021 - \$1,102) was paid on the repayable assistance during the year. The Society repaid \$16,621 (2021 - \$25,446) of the repayable assistance during the year.

## 11. Operating Fund - internally restricted:

The Society's Board of Directors has internally restricted \$2,520,812 (2021 - \$2,178,230) 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, 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, 2022

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## 12. 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.
- (b) 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 2021 fiscal year were finalized by BCHMC in fiscal 2022 and accordingly recorded in the Society's financial statements as recovery of deficit in the statement of operations.

## 13. 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 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 excess of revenue over expenses. 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 2021.

- (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 2021.

- (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 2021.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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

### (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 7. There has been no change to the risk exposures from 2021.

## 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, 2022, the Society paid remuneration of \$631,413 to six employees (2021 - \$343,078 to three employees), each of whom received total remuneration of \$75,000 or greater. There were no remuneration payments made to directors in 2022 or 2021.

## 15. Commitments:

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

	Payment
2023	\$ 46,880
2024	46,880

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The Society has total construction commitments remaining of \$42,218,432 in design and construction contracts funded by BCHMC and CMHC for the ongoing development of 874 Fleming Street and the renewal projects at Campbell Lodge and Balmoral Court.

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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## 16. 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).

(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 as of 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. In 2022, BCHMC increased their forgivable loan commitment amount to \$8,500,000. During the year \$3,532,359 was drawn (2021 - \$2,832,668). As at December 31, 2022 \$6,413,681 had been drawn cumulatively (2021 - \$2,881,322). 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 for \$190,000 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 11<sup>th</sup> year (2022).

# GREATER VICTORIA HOUSING SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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## 16. Contingencies (continued):

### (f) Balmoral Court and Tillicum Terrace:

In 2022, BCHMC began providing the Society with forgivable loans to fund building restorations at Balmoral Court and Tillicum Terrace. The Balmoral Court project has been authorized for a \$13,500,000 forgivable loan and the Tillicum Terrace project authorized maximum forgivable loan has yet to be determined as BCHMC is waiting for tender bids and determination of final project budgets. It is expected this will be completed early in the summer of 2023. During the year the Society drew \$35,152 of this funding for the Balmoral Court project and \$22,333 for the Tillicum Terrace project.

If the Society uses the assets for the intended purpose as required by BCHMC, the loans will be forgivable at 1/10 each year, commencing in the 1<sup>st</sup> year after completion of construction.

### (g) Townley Street 1780, and Goldstream Avenue 330:

The funding provided for these development projects included forgivable loans (grants) of \$6,514,112 Townley Street 1780 and \$10,400,441 Goldstream Avenue 330. During 2021, the forgivable loan portion of the funding was determined by BCHMC upon final accounting for the projects and recognized as revenue of the capital fund.

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, 2022

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## 17. Acquisition of Vic-West Housing Society assets, liabilities and operations:

Effective March 1, 2022 (the “acquisition date”), the Society acquired the assets and assumed the liabilities of the Vic-West Housing Society for \$10. The Vic-West Housing Society was incorporated under the Society Act of British Columbia on October 16, 1991 to operate and maintain, without profit to its members, a low-rental housing project under the direction of, and subsidized by, the British Columbia Housing Management Commission (BC Housing). The Vic-West Housing Society is a registered charity exempt from income taxes. The Vic-West Housing Society was unable to maintain operations and requested that BC Housing find another society with the capacity to manage and operate the property to the standards required.

The Society has recognized the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values related to the 19 unit family townhouse complex and 20 unit seniors building located at 222 Esquimalt Road, Victoria, BC on March 1, 2022. The difference between the fair values of assets acquired and liabilities assumed has been recognized separately in the Society’s fund balances in 2022. The land and buildings are leased from the Provincial Rental Housing Corporation and the lease has been assigned to the Society as of March 1, 2022. There are no payments required related to the lease and the lease term expires in November 2051.

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	March 1, 2022
Assets acquired at fair value	
Land Lease	\$ 1,907,193
Buildings	5,201,123
Total assets	7,108,316
Liabilities assumed:	
Mortgage payable to CMHC (see details in note 7)	692,170
Increase in capital fund balance	\$ 6,416,146

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## 18. Comparative information:

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



**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

Schedule 1 - page 1 of 2

Year ended December 31, 2022, with comparative information for 2021

	Balmoral Court		Campbell Lodge		Colwood Lodge		Constance Court		Dahli Place		Dowler Lodge		Esquimalt Lion's Lodge		Forest Heights		Grafton Lodge	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2020	2022	2021
<b>Revenue:</b>																		
Tenant rent contributions	\$ 498,184	\$ 476,321	\$ 551,582	\$ 535,851	\$ 286,683	\$ 273,007	\$ 274,311	\$ 278,625	\$ 897,831	\$ 866,569	\$ 338,462	\$ 321,559	\$ -	\$ 47,877	\$ 201,696	\$ 126,550	\$ 303,110	\$ 291,645
Rent supplements (note 12(a))	324,097	327,680	240,376	224,269	60,798	60,798	173,976	173,008	-	-	273,068	281,829	-	-	-	-	85,476	75,398
Interest reduction grants (note 12(a))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	16,239	15,320	8,465	9,150	5,315	5,280	4,990	4,620	5,849	7,764	8,120	6,985	-	1,410	3,130	2,740	3,880	3,430
Heat and light recovery	-	-	17,397	17,588	-	-	-	-	66	160	-	-	-	-	-	-	-	-
Cable recovery	-	-	54,384	52,473	22,410	21,393	28,675	27,084	-	-	34,486	34,458	-	5,547	-	-	21,147	20,216
Investment income	-	-	-	-	-	-	-	-	827	230	-	-	-	-	5,080	1,449	-	-
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	10,910	36,661	5,263	18,068	4,807	4,138	4,633	16,055	33,626	27,208	6,020	17,936	-	1,049	2,540	2,451	4,433	9,983
	<u>849,430</u>	<u>855,982</u>	<u>877,467</u>	<u>857,399</u>	<u>380,013</u>	<u>364,616</u>	<u>486,585</u>	<u>499,392</u>	<u>938,199</u>	<u>901,931</u>	<u>660,156</u>	<u>662,767</u>	<u>-</u>	<u>55,883</u>	<u>212,446</u>	<u>133,190</u>	<u>418,046</u>	<u>400,672</u>
<b>Expenses:</b>																		
Amortization	312,175	302,135	73,297	67,045	-	-	186,928	179,826	209,906	203,435	212,884	206,658	-	-	35,252	31,908	96,776	93,502
Mortgage interest	58,506	67,161	84,975	92,456	22,219	23,080	18,366	27,711	243,616	249,351	21,010	26,939	-	22	13,794	19,724	67,138	70,537
Janitor - maintenance salaries	94,878	82,076	109,917	95,647	57,673	54,439	57,401	54,819	75,832	64,291	84,529	80,173	-	18,708	23,440	14,065	49,004	49,577
Administration	80,005	78,042	108,188	105,526	54,067	52,871	56,175	54,989	73,776	72,001	71,235	69,773	-	(347)	20,525	5,152	42,144	41,281
Heat, hydro and hot water	54,890	44,702	76,309	83,997	41,759	39,826	23,154	23,541	33,732	29,350	31,886	34,000	-	24,978	12,688	9,038	25,010	23,980
Maintenance	60,142	50,299	52,736	48,034	33,779	24,610	34,971	22,961	56,771	43,196	42,099	66,503	-	14,172	16,516	7,348	26,792	26,631
Replacement reserve allocation	53,280	53,280	55,000	45,000	60,000	60,000	6,240	6,240	81,600	81,600	39,600	39,600	-	-	22,800	-	-	-
Property taxes	27,847	28,244	28,336	32,589	23,040	19,703	16,449	17,062	27,666	28,367	18,104	22,415	-	-	6,126	6,060	4,332	5,197
Water	55,529	53,481	56,074	33,860	12,697	10,468	12,710	10,925	36,268	38,192	36,453	34,735	-	5,396	10,870	7,736	7,366	8,406
Cablevision	-	-	50,669	50,754	26,710	26,755	27,090	27,136	-	-	34,114	34,171	-	23,410	-	-	20,032	20,049
Garbage	51,285	34,028	39,803	29,922	23,478	13,437	22,189	14,352	39,649	28,512	26,533	21,696	-	10,101	15,529	11,779	22,512	16,609
Insurance	47,565	41,670	40,298	35,237	16,941	14,956	23,960	21,108	30,438	26,831	32,632	28,657	-	11,449	10,065	8,849	23,384	20,599
Other	714	1,036	2,101	1,599	238	1,495	243	557	17,994	9,743	621	967	-	3,253	90	346	185	426
Audit and legal	3,488	3,050	5,818	4,225	2,288	2,214	2,381	2,250	3,115	3,072	3,020	2,772	-	1,900	872	990	1,784	1,548
Capital improvements	-	5,880	-	12,080	-	-	-	11,580	-	-	-	-	-	-	-	-	-	6,509
	<u>900,304</u>	<u>845,084</u>	<u>783,521</u>	<u>737,971</u>	<u>374,889</u>	<u>343,854</u>	<u>488,257</u>	<u>475,057</u>	<u>930,363</u>	<u>877,941</u>	<u>654,720</u>	<u>669,059</u>	<u>-</u>	<u>113,042</u>	<u>188,567</u>	<u>122,995</u>	<u>386,459</u>	<u>384,851</u>
Excess (deficiency) of revenue over expenses before the following	(50,874)	10,898	93,946	119,428	5,124	20,762	(1,672)	24,335	7,836	23,990	5,436	(6,292)	-	(57,159)	23,879	10,195	31,587	15,821
Recovery of deficit (note 12(b))	4,795	24,127	(7,115)	22,256	-	-	(16,993)	9,618	-	-	25,480	3,203	-	-	-	-	133	214
Adjustment of prior year's revenue and expenses funded by the Society	(21,098)	(71)	(27,584)	4,633	-	-	(1,185)	2,351	-	-	(1,237)	2,947	-	16,190	-	-	-	-
Excess (deficiency) of revenue over expenses	<u>(67,177)</u>	<u>34,954</u>	<u>59,247</u>	<u>146,317</u>	<u>5,124</u>	<u>20,762</u>	<u>(19,850)</u>	<u>36,304</u>	<u>7,836</u>	<u>23,990</u>	<u>29,679</u>	<u>(142)</u>	<u>-</u>	<u>(40,969)</u>	<u>23,879</u>	<u>10,195</u>	<u>31,720</u>	<u>16,035</u>
Fund balance, beginning of year	10,898	(31,606)	34,699	(40,989)	57,029	74,159	18,178	(11,969)	581,182	557,192	(24,243)	(10,250)	-	40,969	46,343	36,148	165,527	138,692
<b>Interfund transfers:</b>																		
Capital - amortization, principal payments, purchases	-	-	(86,438)	(84,729)	(38,656)	(37,892)	(6,281)	(6,157)	-	-	(18,313)	(17,951)	-	-	-	-	10,800	10,800
BCHMC replacement reserve review adjustments	5,405	7,550	-	14,100	-	-	-	-	-	-	-	4,100	-	-	-	-	-	-
Esquimalt replacement reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ (50,874)	\$ 10,898	\$ 7,508	\$ 34,699	\$ 23,497	\$ 57,029	\$ (7,953)	\$ 18,178	\$ 589,018	\$ 581,182	\$ (12,877)	\$ (24,243)	\$ -	\$ -	\$ 70,222	\$ 46,343	\$ 208,047	\$ 165,527

**GREATER VICTORIA HOUSING SOCIETY**

Schedule of Operations

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Year ended December 31, 2022, with comparative information for 2021

	Goldstream 330		Nigel Square		Parsons at Brentwood		Pembroke		Sitkum Lodge		Sutcliffe Court		Tillicum Terrace		Townley Place		Vic West Place		Other		Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
<b>Revenue:</b>																							
Tenant rent contributions	\$ 1,301,436	\$ 428,978	\$ 174,065	\$ 164,986	\$ 459,737	\$ 450,188	\$ 227,623	\$ 224,111	\$ 617,271	\$ 600,559	\$ 60,460	\$ 59,008	\$ 350,675	\$ 335,596	\$ 735,400	\$ 604,803	\$ 258,479	\$ -	\$ -	\$ -	\$ -	\$ 7,537,005	\$ 6,086,233
Rent supplements (note 12(a))	-	-	76,236	77,303	-	-	-	-	34,264	110,991	43,934	41,141	225,509	215,637	-	-	106,019	-	-	-	-	1,643,753	1,588,054
Interest reduction grants (note 12(a))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	25,935	8,645	-	-	5,050	5,070	1,871	1,397	9,990	10,235	-	-	2,055	1,987	9,240	7,430	825	-	-	-	-	110,954	91,463
Heat and light recovery	-	-	-	-	-	-	-	-	-	-	-	-	120	120	-	-	-	-	-	-	-	17,583	17,868
Cable recovery	-	-	-	-	-	-	-	-	41,026	39,237	5,400	5,192	-	-	-	-	-	-	-	-	-	207,528	205,600
Investment income	-	-	-	-	-	-	24	2,713	-	-	-	-	-	-	258	233	-	-	-	-	79,372	59,752	85,561
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,378)	26,223	(66,378)
Other	48,235	14,108	100	50	15,802	14,291	400	150	5,751	5,400	-	-	10,658	36,396	24,204	19,887	17,333	-	-	-	171,711	160,927	366,426
	1,375,606	451,731	250,401	242,339	480,589	469,549	229,918	228,371	708,302	766,422	109,794	105,341	589,017	589,736	769,102	632,353	382,656	-	184,705	246,902	9,902,432	8,464,576	
<b>Expenses:</b>																							
Amortization	492,527	287,267	102,638	97,647	178,835	176,845	43,432	40,567	-	-	26,098	25,874	202,298	196,358	323,976	324,818	199,797	-	30,062	30,062	2,726,881	2,263,947	
Mortgage interest	304,399	109,719	4,319	11,379	127,306	36,408	44,480	51,495	34,699	38,061	3,098	3,348	43,909	49,386	193,504	116,759	9,921	-	21	198	1,295,280	993,734	
Janitor - maintenance salaries	97,984	40,721	22,426	14,465	42,369	41,190	23,105	27,080	84,947	84,327	12,345	13,173	73,098	79,726	75,355	61,693	61,230	-	(942)	(3,708)	1,044,591	872,462	
Administration	119,025	65,695	19,430	19,165	43,339	42,251	27,100	26,404	112,008	103,730	10,826	10,570	57,272	56,057	69,616	69,275	45,270	-	19,733	34,550	1,029,734	906,985	
Heat, hydro and hot water	40,221	19,984	878	722	14,715	13,374	7,268	6,851	89,808	88,452	9,830	9,494	19,261	17,554	20,731	20,339	10,088	-	-	-	512,228	490,182	
Maintenance	46,377	15,978	12,193	7,968	23,963	21,764	31,843	27,445	52,425	45,697	8,481	7,606	48,805	39,931	51,640	22,115	47,270	-	2,267	2,331	649,070	494,589	
Replacement reserve allocation	122,400	51,000	12,960	12,960	48,000	48,000	20,100	20,100	90,000	90,000	7,200	7,200	38,160	38,160	76,800	46,080	14,881	-	-	-	749,021	599,220	
Property taxes	55,071	13,287	8,380	9,536	-	-	24	24	13,508	15,786	3,087	3,463	18,033	15,772	-	-	27,729	-	-	-	277,732	217,505	
Water	19,028	5,860	29,445	26,918	10,846	9,056	6,634	4,794	30,151	47,402	8,103	5,342	38,189	38,037	25,972	11,924	41,049	-	-	-	437,384	352,532	
Cablevision	-	-	-	-	-	-	-	-	39,038	39,103	5,017	5,025	-	-	-	-	-	-	-	-	202,670	226,403	
Garbage	46,914	21,198	20,617	16,779	11,175	7,674	15,628	11,352	30,738	22,309	1,487	1,368	32,279	21,822	35,870	26,752	13,649	-	-	-	449,335	309,690	
Insurance	46,080	25,974	11,823	10,516	21,890	19,466	561	523	32,962	28,995	6,833	6,123	25,602	22,528	27,000	18,640	21,352	-	-	-	419,386	342,121	
Other	1,279	807	112	194	1,875	917	119	1,726	1,922	818	90	109	501	566	1,404	1,315	182	-	1,225	4,008	30,895	29,882	
Audit and legal	4,766	4,290	822	744	2,926	1,691	2,516	1,155	4,318	11,008	458	413	2,426	2,486	3,964	2,706	7,174	-	35	56	52,171	46,570	
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	11,140	-	-	-	-	-	-	-	-	47,189	-
	1,396,071	661,780	246,043	228,993	527,239	418,636	222,810	219,516	616,524	615,688	102,953	99,108	599,833	589,523	905,832	722,416	499,592	-	52,401	67,497	9,876,378	8,193,011	
Excess (deficiency) of revenue over expenses before the following	(20,465)	(210,049)	4,358	13,346	(46,650)	50,913	7,108	8,855	91,778	150,734	6,841	6,233	(10,816)	213	(136,730)	(90,063)	(116,936)	-	132,304	179,405	26,054	271,565	
Recovery of deficit (note 12(b))	-	-	(12,329)	11,441	-	-	-	-	-	-	(2,688)	4,177	17,037	10,393	-	-	-	-	-	-	8,320	85,429	
Adjustment of prior year's revenue and expenses funded by the Society	-	-	(1,017)	690	-	-	-	-	-	-	(77)	464	(6,203)	2,423	-	-	-	-	58,401	(29,627)	-	-	
Excess (deficiency) of revenue over expenses	(20,465)	(210,049)	(8,988)	25,477	(46,650)	50,913	7,108	8,855	91,778	150,734	4,076	10,874	18	13,029	(136,730)	(90,063)	(116,936)	-	190,705	149,778	34,374	356,994	
Fund balance, beginning of year	4,313	-	13,346	(12,131)	324,545	96,787	185,881	177,026	(7,395)	(109,256)	2,765	(4,641)	(10,834)	(25,384)	164,859	(14,751)	-	-	1,364,824	375,929	2,931,917	1,235,925	
<b>Interfund transfers:</b>																							
Capital - amortization, principal payments, purchases	197,197	214,362	-	-	139,293	176,845	-	-	(49,859)	(48,873)	(3,545)	(3,468)	(11,270)	(11,047)	155,569	269,673	94,101	-	113,054	434,789	495,652	896,352	
BCHMC replacement reserve review adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	12,568	-	-	-	-	-	-	-	5,405	38,318
Esquimalt replacement reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,328	-	404,328
Fund balance, end of year	\$ 181,045	\$ 4,313	\$ 4,358	\$ 13,346	\$ 417,188	\$ 324,545	\$ 192,989	\$ 185,881	\$ 34,524	\$ (7,395)	\$ 3,296	\$ 2,765	\$ (22,086)	\$ (10,834)	\$ 183,698	\$ 164,859	\$ (22,835)	\$ -	\$ 1,668,583	\$ 1,364,824	\$ 3,467,348	\$ 2,931,917	

# GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2022

	Balance at December 31, 2021	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income (loss)	Expenditures	Unrealized gain (loss) on investments	Transfer to Operating Fund	Balance at December 31, 2022
Balmoral	\$ 273,317	\$ -	\$ 53,280	\$ 6,306	\$ 55,184	\$ -	\$ (5,405)	\$ 272,314
Campbell Lodge	37,120	-	55,000	1,114	33,987	-	-	59,247
Colwood Lodge	367,742	-	60,000	9,023	24,084	-	-	412,681
Constance Court	233,197	14,215	6,240	4,923	65,962	-	-	192,613
Dahli Place	321,579	-	81,600	8,305	14,750	-	-	396,734
Dowler Lodge	54,756	24,946	39,600	790	106,512	-	-	13,580
Forest Heights	82,417	-	22,800	2,147	4,111	-	-	103,253
330 Goldstream	51,757	-	122,400	2,339	25,913	-	-	150,583
Grafton Lodge	261,933	-	-	5,962	14,156	-	-	253,739
Nigel Square	6,120	-	12,960	40	21,803	-	-	(2,683)
Parsons at Brentwood	79,687	-	48,000	2,361	5,548	-	-	124,500
Pembroke Mews	145,818	-	20,100	3,554	7,887	-	-	161,585
Sitkum Lodge	271,783	-	90,000	7,051	30,711	-	-	338,123
Sutcliffe Court	22,114	-	7,200	580	1,807	-	-	28,087
Tillicum Terrace	44,211	-	38,160	1,020	39,397	-	-	43,994
Townley Place	40,921	-	76,800	1,709	12,500	-	-	106,930
Victoria West	-	179,876	14,881	(33)	197,618	-	-	(2,894)
Unrealized gain (loss) on investments	401,205	-	-	-	-	(316,248)	-	84,957
	\$ 2,695,677	\$ 219,037	\$ 749,021	\$ 57,191	\$ 661,930	\$ (316,248)	\$ (5,405)	\$ 2,737,343

# GREATER VICTORIA HOUSING SOCIETY

Changes in Replacement Reserve Fund

Schedule 2

Year ended December 31, 2021

	Balance at December 31, 2020	Contributions from BCHMC and other	Contribution from Operating Fund	Investment income (loss)	Expenditures	Unrealized gain on investments	Transfer to Operating Fund	Balance at December 31, 2021
Balmoral	\$ 236,763	\$ -	\$ 53,280	\$ 7,456	\$ 16,632	\$ -	\$ (7,550)	\$ 273,317
Campbell Lodge	(42,818)	56,918	45,000	(83)	7,797	-	(14,100)	37,120
Colwood Lodge	298,815	-	60,000	9,744	817	-	-	367,742
Constance Court	234,842	(5,378)	6,240	6,842	9,349	-	-	233,197
Dahli Place	287,007	-	81,600	8,896	55,924	-	-	321,579
Dowler Lodge	71,715	4,950	39,600	1,849	59,258	-	(4,100)	54,756
Esquimalt Lions Lodge	392,677	-	-	11,651	-	-	(404,328)	-
Forest Heights	80,311	-	-	2,379	273	-	-	82,417
330 Goldstream	-	-	51,000	757	-	-	-	51,757
Grafton Lodge	328,949	(56,918)	-	8,638	18,736	-	-	261,933
Nigel Square	(10,328)	10,328	12,960	(62)	6,778	-	-	6,120
Parsons at Brentwood	41,582	-	48,000	1,773	11,668	-	-	79,687
Pembroke Mews	119,792	20,302	20,100	3,883	18,259	-	-	145,818
Sitkum Lodge	182,711	4,950	90,000	6,644	12,522	-	-	271,783
Sutcliffe Court	19,875	-	7,200	614	5,575	-	-	22,114
Tillicum Terrace	67,066	-	38,160	1,627	50,074	-	(12,568)	44,211
Townley Place	(2,301)	-	46,080	565	3,423	-	-	40,921
Unrealized gain on investments	349,218	-	-	-	-	51,987	-	401,205
	\$ 2,655,876	\$ 35,152	\$ 599,220	\$ 73,173	\$ 277,085	\$ 51,987	\$ (442,646)	\$ 2,695,677