

Financial Statements of

**CITYHOUSING HAMILTON
CORPORATION**

Year ended December 31, 2017

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of CityHousing Hamilton Corporation

We have audited the accompanying financial statements of CityHousing Hamilton Corporation, which comprise the statement of financial position as at December 31, 2017, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with the basis of accounting described in Note 1 to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting in Note 1 to the financial statements; this includes determining that the basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CityHousing Hamilton Corporation as at December 31, 2017 and its results of operations, changes in fund balances and its cash flows for the year then ended in accordance with the basis of accounting in described Note 1 to the financial statements.

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist CityHousing Hamilton Corporation to comply with the reporting provisions of the Housing Services Act, 2011. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of CityHousing Hamilton Corporation, the City of Hamilton and the Province of Ontario and should not be used by parties other than CityHousing Hamilton Corporation, the City of Hamilton or the Province of Ontario.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

May 28, 2018

CITYHOUSING HAMILTON CORPORATION

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	Operating fund	Capital reserve fund	Sold units reserve fund	2017	2016
Assets					
Current assets:					
Cash	\$ 7,695,768	\$ 7,026,901	\$ –	\$ 14,722,669	\$ 5,894,084
Receivables (note 4)	3,457,144	–	–	3,457,144	2,643,145
Prepays	829,923	–	–	829,923	785,946
Reserve investments (note 5)	–	3,108,135	–	3,108,135	2,958,797
Reserve investments Held by City of Hamilton (note 6)	1,774,934	–	1,030,280	2,805,214	2,743,187
Investment – other	145,892	–	–	145,892	143,436
Due from capital to operating fund	1,879,641	–	–	1,879,641	1,818,618
Due from capital fund to sold units fund	–	–	4,641,837	4,641,837	–
	15,783,302	10,135,036	5,672,117	31,590,455	16,987,213
Subsidy receivable	1,490,016	–	–	1,490,016	1,577,568
Property, plant and equipment (note 7)	89,733,066	–	–	89,733,066	98,971,212
Total assets	\$ 107,006,384	\$ 10,135,036	\$ 5,672,117	\$ 122,813,537	\$ 117,535,993

CITYHOUSING HAMILTON CORPORATION

Statement of Financial Position (continued)

December 31, 2017, with comparative information for 2016

	Operating fund	Capital reserve fund	Sold units reserve fund	2017	2016
Liabilities and Fund Balances					
Current liabilities:					
Payables and accruals	\$ 12,812,574	\$ —	\$ —	\$ 12,812,574	\$ 5,516,306
Rent deposits payable	1,450,796	—	—	1,450,796	1,367,583
Tenant trust	5,358	—	—	5,358	5,358
Due to City of Hamilton	92,891	—	—	92,891	2,167,321
Due to sold units from capital fund	—	4,641,837	—	4,641,837	—
Due to operating from capital fund	—	1,879,641	—	1,879,641	1,818,618
Accrued mortgage interest payable	109,594	—	—	109,594	113,294
Current portion of loan and mortgage payable (Note 9)	14,582,980	—	—	14,582,980	17,398,569
Current portion of debentures (Note 10)	3,035,164	—	—	3,035,164	2,980,618
Current portion of amount due to City of Hamilton (City Views) (Note 11)	22,350	—	—	22,350	21,325
	32,111,707	6,521,478	—	38,633,185	31,388,992
Long-term liabilities:					
Deferred contributions (Note 8)	18,272,645	—	—	18,272,645	19,054,868
Loan and mortgage payable (Note 9)	44,835,284	—	—	44,835,284	47,671,205
Debentures (Note 10)	11,000,201	—	—	11,000,201	14,035,365
Due to City of Hamilton (City Views) (Note 11)	818,796	—	—	818,796	841,146
	74,929,926	—	—	74,926,926	81,602,584
Total liabilities	107,038,633	6,521,478	—	113,560,111	112,991,576
Fund balances:					
Capital stock (Note 12)	76,300	—	—	76,300	76,300
Contributed surplus	45,819	—	—	45,819	45,819
Unrestricted operating fund	(154,368)	—	—	(154,368)	(393,780)
Capital reserve fund	—	3,613,558	—	3,613,558	3,785,798
Reserve from sold units	—	—	5,672,117	5,672,117	1,030,280
Total fund balances	(32,249)	3,613,558	5,672,117	9,253,426	4,544,417
Total liabilities and fund balances	\$ 107,006,384	\$ 10,135,036	\$ 5,672,117	\$ 122,813,537	\$ 117,535,993

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

CITYHOUSING HAMILTON CORPORATION

Statements of Operations and Changes in Fund Balances

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

	Budgeted operating fund	Actual operating fund	Capital reserve fund	Sold units reserve fund	2017 Total	2016 Total
Revenue:						
Rental:						
Residential	\$ 34,528,381	\$ 35,685,756	\$ –	\$ –	\$ 35,685,756	\$ 34,729,274
Commercial	1,286,748	993,590	–	–	993,590	902,685
Tenant recoveries	491,747	904,600	–	–	904,600	851,942
Government subsidies	21,369,658	19,174,479	–	–	19,174,479	34,251,313
Other	462,140	1,481,931	3,998,977	4,838,796	10,319,704	1,992,418
	58,138,674	58,240,356	3,998,977	4,838,796	67,078,129	72,727,632
Revenue allocated to capital reserve	(8,375,889)	(8,375,889)	8,375,889	–	–	–
Total revenue	49,762,785	49,864,467	12,374,866	4,838,796	67,078,129	72,727,632
Expenses:						
Administration	13,569,311	12,906,277	–	–	12,906,277	13,113,954
Bad debts	327,174	406,233	–	–	406,233	529,711
Insurance	994,663	975,617	–	–	975,617	1,153,890
Maintenance	11,795,348	11,608,062	–	–	11,608,062	10,637,622
Amortization	8,900,000	9,238,146	–	–	9,238,146	9,754,885
Interest on long term debt	2,555,812	2,657,000	–	–	2,657,000	3,085,957
Municipal taxes	622,761	710,036	–	–	710,036	14,240,074
Utilities	10,997,716	11,536,459	–	–	11,536,459	11,611,462
Total expenses	49,762,785	50,037,830	–	–	50,037,830	64,127,555
Excess of revenue over expenses (expenses over revenue) before building rehabilitation	–	(173,363)	12,374,866	4,838,796	17,040,299	8,600,077
Amortization of deferred contribution	–	782,223	–	–	782,223	778,782
Building rehabilitation	–	–	(12,547,106)	(196,959)	(12,744,065)	(5,634,377)
Excess of revenue over expenses (expenses over revenue) before adjustment	–	608,860	(172,240)	4,641,837	5,078,457	3,744,482
Service manager reconciliation adjustment	–	(369,448)	–	–	(369,448)	(42,248)
Excess of revenue over expenses (expenses over revenue)	–	239,412	(172,240)	4,641,837	4,709,009	3,702,234
Fund balance, beginning of year	720,064	(393,780)	3,785,798	1,030,280	4,422,298	720,064
Fund balance, end of year	\$ 720,064	\$ (154,368)	\$ 3,613,558	\$ 5,672,117	\$ 9,131,307	\$ 4,422,298

See accompanying notes to financial statements.

CITYHOUSING HAMILTON CORPORATION

Statement of Changes in Cash Flows

December 31, 2017, with comparative information for 2016

	Operating fund	Capital, reserve fund	Sold units, reserve fund	2017	2016
Cash provided by (used in):					
Operating activities:					
Excess of revenue over expenses (expenses over revenue)	\$ 239,412	\$ (172,240)	\$ 4,641,837	\$ 4,709,009	\$ 3,702,234
Items not involving cash:					
Amortization of deferred contributions	(782,223)	—	—	(782,223)	(778,782)
Amortization	9,238,146	—	—	9,238,146	9,754,885
Change in non-cash operating working capital					
Receivables	(813,999)	—	—	(813,999)	1,014,130
Prepays	(43,977)	—	—	(43,977)	166,616
Due to/from capital fund (net)	(61,023)	—	—	(61,023)	1,543,871
Due to/from sold units (net)	—	—	(4,641,837)	(4,641,837)	—
Due to/from operating (net)	—	4,702,860	—	4,702,860	(1,543,871)
Payables and accruals	7,296,268	—	—	7,296,268	(874,785)
Rent deposits payable	83,213	—	—	83,213	370,557
Deferred revenue	—	—	—	—	(206,070)
Due to/from City of Hamilton	(2,074,430)	—	—	(2,074,430)	(165,672)
Subsidy receivable	87,552	—	—	87,552	84,499
Accrued mortgage interest payable	(3,700)	—	—	(3,700)	(7,004)
Total cash flow from operating activities	13,165,239	4,530,620	—	17,695,859	13,060,608
Investing activities:					
Change in other investments	(2,456)	—	—	(2,456)	(1,171)
Change in reserve investments	—	(149,338)	—	(149,338)	(135,842)
Total cash flow from investing activities	(2,456)	(149,338)	—	(151,794)	(137,013)
Financing activities:					
Repayment of debentures	(2,980,618)	—	—	(2,980,618)	(3,664,435)
Repayment of loans and mortgages payable	(5,651,510)	—	—	(5,651,510)	(4,396,148)
Repayment of amounts due to City of Hamilton	(21,325)	—	—	(21,325)	(20,347)
Total cash flow from financing activities	(8,653,453)	—	—	(8,653,453)	(8,080,930)
Increase in cash and cash equivalents	4,509,330	4,381,282	—	8,890,612	4,842,665
Cash and cash equivalents, beginning of year	4,961,372	2,645,619	1,030,280	8,637,271	3,794,606
Cash and cash equivalents, end of year	\$ 9,470,702	\$ 7,026,901	\$ 1,030,280	\$ 17,527,883	\$ 8,637,271
1 Represented by:					
Cash	\$ 7,695,768	\$ 7,026,901	\$ —	\$ 14,722,669	\$ 5,894,084
Restricted funds (held by City of Hamilton-sold units)	1,774,934	—	1,030,280	2,805,214	2,743,187
	\$ 9,470,702	\$ 7,026,901	\$ 1,030,280	\$ 17,527,883	\$ 8,637,271

See accompanying notes to financial statements

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements

Year ended December 31, 2017

CityHousing Hamilton Corporation (the "Corporation") operates various buildings for residential accommodation and commercial rent. The operating agreement as outlined in the Housing Services Act, 2011 for the three Provincial projects remains in effect and is transferred to CityHousing Hamilton Corporation.

1. Significant accounting policies:

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the Housing Services Act, 2011 ("HAS"). The basis of accounting used in these financial statements materially differs from Public Sector Accounting Standards ("PSAS") because:

- (i) Amortization is not provided on building 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 mortgage.
- (ii) Capital assets:
 - purchased from the operating fund are charged to operations in the year the expenditure is incurred rather than being capitalized on the statement of financial position and amortized over their estimated useful lives,
 - purchased from the capital reserve fund are charged against the replacement reserve account rather than being capitalized on the statement of financial position and amortized over their estimated useful lives, and
 - where the funding source requires it, equipment is recorded as a tangible capital asset, but not amortized
- (iii) Investments are recorded at fair value with changes in fair value recorded in the statement of operations and changes in fund balances
- (iv) Restricted contributions are recognized as revenue of the appropriate restricted fund. Revenues received in the Operating Fund for the annual allocation to the capital reserve are recorded as an allocation of revenue to the Capital Reserve Fund.

The accounting policies followed by the Corporation are as follows:

(a) Amortization:

Amortization is provided on the building at a rate equal to the annual principal reduction of the mortgage on the building. No amortization is charged on other fixed assets; however a capital reserve account is maintained to provide for future asset replacement.

(b) Sold unit reserve:

The proceeds from the sale of single units has been set up in a separate reserve which will be utilized to construct replacement units in the future as directed by the Board. The original value of the related investment is reflected in the sold unit reserve. Any increases or decreases in value are recognized in the operating fund.

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(c) Capital reserve:

Capital reserve is funded annually through the operating fund. Expenditures are then charged to the Capital reserve fund as expended.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks, net of overdrafts, and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

(e) Fund accounting:

Funds within the financial statements consist of the operating, capital reserve and sold unit reserve funds. Transfers between the funds are recorded as adjustments to the appropriate fund balance. The Operating Fund reports assets and liabilities, operating assistance, revenue and expenses, related to the Corporation's housing activities. The Capital Reserve Fund reports the assets, liabilities, revenues and expenses related to capital asset replacement activities. The amounts allocated to and expended from this fund must be approved by the Board on an annual basis. The sold unit reserve fund is described in Note 6.

(f) Revenue and expenses:

Revenue and expenses are recorded on the accrual basis of accounting whereby revenues are recognized as they are earned and measurable. Expenses are recognized in the period goods and services are acquired and a liability is incurred.

(g) Revenue recognition:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(h) Property and equipment:

Property and equipment financed by debt are recorded at cost, including contributed cost. The portion of cost contributed by others has been reflected as deferred contributions.

(i) Deferred contributions:

Deferred contributions are amortized into income on the same basis as the amortization of the related buildings.

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(j) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

2. Investments – Fair value disclosure:

The Corporation's investments, which are held within the capital and operating funds, are recorded at fair value and have been determined based upon quoted prices in an active market for identical assets or liabilities.

3. Risks associated with financial instruments:

(a) Market risk:

Market risk is the potential for loss from changes in the value of financial instruments. The Corporation is exposed to market risk in its investment portfolio. This risk is managed by the implementation and adherence to the Board approved investment policy which specifies the exposure limits that the investment portfolio may have to equity markets. At December 31, 2017 mutual funds containing equity instruments make up 18.30% (2016 - 16.58%) of the total investment portfolio with bonds and fixed income funds comprising the balance of 81.70% (2016 - 83.42%).

(b) Interest rate risk:

The interest rate risk is the risk that arises from fluctuations in interest rates and the degree of volatility of these rates. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk. It is the Corporation's intention to hold the long term investments to maturity which eliminates exposure to short term swings in interest rates. The Corporation is exposed to interest rate risk on its long term liabilities. The Corporation has limited this risk by entering into fixed rate debt arrangements. The exposure is limited to the period when these arrangements are renewed. The present value of debentures is \$20,348,000 and a carrying value of \$14,035,365. The present value of loan and mortgage payable, excluding loan to the City of Hamilton is \$70,523,000 with a carrying value of \$59,418,264.

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Risks associated with financial instruments (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation cannot meet a demand for cash or fund obligations as they come due. Demand for cash can result from unexpected capital expenditure requirements. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. Senior management manages liquidity risk and monitors the cash and funding needs on a daily basis.

4. Receivables:

	2017	2016
Rent	\$ 1,971,509	\$ 1,765,082
HST/GST rebate	869,870	626,281
Subsidy	87,283	84,237
Miscellaneous	528,482	167,545
	<u>\$ 3,457,144</u>	<u>\$ 2,643,145</u>

5. Reserve investments:

Investment policies under the Housing Services Act, 2011 (HSA) requires certain housing providers to invest their capital resources in a fund managed by the Social Housing Services Corporation. The capital reserve funds for Municipal Non Profit, Dundas Valley Non Profit, and Portuguese Non Profit are invested in this fund.

6. Restricted funds from sale of scattered units:

Board approval was received on June 27, 2003 and subsequently Ministerial Consent was obtained on September 1, 2005 for the disposition of selected single and semi-detached units contained within the CityHousing Hamilton Corporation portfolio. The units were to be sold and the resulting cash flow could only be utilized to replace the sold units with new structures. This is in keeping with the directive from the Ministry that old units could only be sold if replaced by newer structures so as to maintain the capacity of the current housing stock.

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Restricted funds from sale of scattered units (continued):

Board approval was received on April 11, 2017 and Ministerial consent was obtained on October 26, 2016 for the disposition of 100 single and semi-detached units (the "units"). In keeping with the directive from the Ministry, the old units could only be sold if vacant and proceeds must be used to replace with new structures to consistent capacity of the Corporation's housing portfolio.

The continuity of reserve investments held by the City of Hamilton is as follows:

	2017	2016
Opening balance	\$ 2,743,187	\$ 2,689,154
Interest earned	62,027	54,033
Closing balance	\$ 2,805,214	\$ 2,743,187

7. Property and equipment:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land and buildings	\$ 201,467,059	\$ 112,651,948	\$ 88,815,111	\$ 98,053,257
Equipment	917,955	-	917,955	917,955
	\$ 202,385,014	\$ 112,651,948	\$ 89,733,066	\$ 98,971,212

No amortization is charged on equipment; however a capital reserve account is maintained to provide for future asset replacement.

8. Deferred contributions:

Certain purchases of land and building have been funded by other government organizations. The portion of cost contributed by others has been reflected as deferred contributions and is being amortized into income on the same basis as the related building.

	2017	2016
557 Queenston Road	\$ 1,528,191	\$ 1,596,358
95 King Street	3,171,712	3,358,946
87-89 King Street	1,869,297	1,941,192
Bridgewater Court	5,810,248	5,918,519
690 Stonechurch Road	5,893,197	6,239,853
	\$ 18,272,645	\$ 19,054,868

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Loan and mortgage payable:

	2017	2016
Canada Mortgage and Housing Corporation, 0.96% mortgage for 772 Upper Paradise, renewing August 1, 2021, payable in equal monthly instalments of principal and interest of \$12,792	\$ 552,830	\$ 700,268
TD Canada Trust, 4.726% mortgage for 470 Stone Church Road East, renewing January 1, 2018 payable in equal monthly instalments of principal and interest of \$24,445	1,324,272	1,549,883
Canada Mortgage and Housing Corporation, 2.11% mortgage for 75 Wentworth Street North and Ashley/Century, renewing January 1, 2019, payable in equal monthly instalments of principal and interest of \$16,408	1,626,895	1,787,788
Canada Mortgage and Housing Corporation, 1.390% mortgage for 1150 Limeridge Road East, renewing June 1, 2020, payable in equal monthly instalments of principal and interest of \$23,311.	1,886,329	2,138,038
Scotia Mortgage Corporation, 2.195% mortgage for 1781 King Street East, renewing January 1, 2022, payable in equal monthly instalments of principal and interest of \$6,719	663,716	728,486
Scotia Mortgage Corporation, 2.195% mortgage for 67 Ossington Drive, renewing January 1, 2022, payable in equal monthly instalments of principal and interest of \$10,798	1,066,652	1,170,744
Scotia Mortgage Corporation, 1.865% mortgage for 1081 Rymal Road East, renewing June 1, 2022, payable in equal monthly instalments of principal and interest of \$11,441	1,194,762	1,307,335
Scotia Mortgage Corporation, 5.83% mortgage for 10 Brock Street, renewing May 1, 2024, payable in equal monthly instalments of principal and interest of \$7,225	724,099	767,711

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Loan and mortgage payable (continued):

	2017	2016
Canada Mortgage and Housing Corporation, 1.85% mortgage for 25 Towercrest Drive, renewing August 1, 2019, payable in equal monthly instalments of principal and interest of \$31,022	3,855,240	4,153,493
Canada Mortgage and Housing Corporation, 1.82% mortgage for 1285 Upper Gage Avenue, renewing September 1, 2019, payable in equal monthly instalments of principal and interest of \$5,967	752,457	809,860
Royal Bank of Canada, 2.418% mortgage for 430 Cumberland Avenue, renewing October 1, 2018, payable in equal monthly instalments of principal and interest of \$68,089	8,406,870	9,013,741
Canada Mortgage and Housing Corporation, 1.39% mortgage for 101 Broadway Avenue, renewing June 1, 2020, payable in equal monthly instalments of principal and interest of \$14,194	1,894,092	2,037,103
TD Canada Trust, 2.221% mortgage for 1100 Limeridge Road East, renewing February 1, 2022, payable in equal monthly instalments of principal and interest of \$20,833	2,857,173	3,042,132
Canada Mortgage and Housing Corporation, 1.85% mortgage for 1900 Main Street West, renewing August 1, 2019, payable in equal monthly instalments of principal and interest of \$72,181	6,810,127	7,543,498
Canada Mortgage and Housing Corporation, 0.96% mortgage for 25 Lynden Avenue, renewing August 1, 2021, payable in equal monthly instalments of principal and interest of \$9,271	400,681	507,542
Canada Mortgage and Housing Corporation, 1.01% mortgage for 122 Hatt Street, renewing February 1, 2021, payable in equal monthly instalments of principal and interest of \$15,434	1,422,915	1,592,862

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Loan and mortgage payable (continued):

	2017	2016
Canada Mortgage and Housing Corporation, 1.14% mortgage for 700 Stonechurch Road West, renewing July 1, 2021, payable in equal monthly instalments of principal and interest of \$12,973	546,385	694,937
TD Canada Trust, 2.559% mortgage for 680 Stonechurch Road West, renewing December 1, 2022, payable in equal monthly instalments of principal and interest of \$18,371	1,098,349	1,288,224
Canada Mortgage and Housing Corporation, 1.14% mortgage for 7-23 Gurnett Drive, renewing June 1, 2021, payable in equal monthly instalments of principal and interest of \$1,779	143,564	163,157
Canada Mortgage and Housing Corporation, 1.71% mortgage for 185-206, 210 Jackson Street East, renewing September 1, 2027, payable in equal monthly instalments of principal and interest of \$36,538	3,878,860	4,240,002
People's Trust Company 4.76% mortgage for 162 King William Street, renewing December 1, 2019, payable in equal monthly instalments of principal and interest of \$10,850	1,520,816	1,577,871
TD Canada Trust, 2.559% mortgage for 580 Limeridge Road East, renewing December 1, 2022, payable in equal monthly instalments of principal and interest of \$19,577	1,101,871	1,305,935
TD Canada Trust, 2.37% mortgage for 170 East Avenue South, renewing September 1, 2022, payable in equal monthly instalments of principal and interest of \$20,892	2,181,831	2,377,950
Sunlife Financial 3.950% mortgage for 350-360 King Street East, renewing June 1, 2027, payable in equal quarterly instalments of principal and interest of \$250,176	7,901,516	8,575,012

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Loan and mortgage payable (continued):

	2017	2016
MCAP Financial Corporation 3.260% mortgage for 4 Bridgewater Court, renewing June 1, 2022, payable in equal monthly instalments of principal and interest of \$17,816	3,199,942	3,308,213
TD Canada Trust, 2.559% mortgage for 405 York Boulevard, renewing December 1, 2022, payable in equal monthly instalments of principal and interest of \$19,453	1,495,279	1,687,989
Loan - City of Hamilton, 2.5% for water conservation project due August 31, 2026, payable in annual instalments of principal and interest of \$114,259, secured by a general security Agreement over the assets of the Corporation	910,741	1,000,000
	59,418,264	65,069,774
Less current portion	(14,582,980)	(17,398,569)
	\$ 44,835,284	\$ 47,671,205

Future principal payments required on all long-term debt for the next five years and thereafter are as follows:

2018	\$	14,582,980
2019		16,864,955
2020		6,284,263
2021		4,152,027
2022		10,469,812
2023 and thereafter		7,064,227
	\$	59,418,264

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Debentures:

	2017	2016
Canada Mortgage and Housing Corporation, various debentures at various interest rates ranging from 4.875% to 8.10%, maturing at various dates from January 1, 2017 to January 1, 2026, guaranteed by the Ministry of Housing and Canada Mortgage and Housing Corporation	\$ 14,035,365	\$ 17,015,983
Less current portion	(3,035,164)	(2,980,618)
	\$ 11,000,201	\$ 14,035,365

Principal repayments in each of the next five years and thereafter are due as follows:

2018	\$	3,035,164
2019		2,659,769
2020		2,374,538
2021		2,382,613
2022		1,778,806
2023 and thereafter		1,804,475
	\$	14,035,365

11. Due to the City of Hamilton:

	2017	2016
City of Hamilton, 4.75% loan for 211 King William (City Views), maturing December 31, 2040, payable in equal annual instalments of principal and interest of \$61,437, secured under a general security Agreement for the property	\$ 841,146	\$ 862,471
Less: Current portion	(22,350)	(21,325)
	\$ 818,796	\$ 841,146

CITYHOUSING HAMILTON CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Due to the City of Hamilton (continued):

Principal repayments in each of the next five years and thereafter are due as follows:

2018	\$	22,350
2019		23,425
2020		24,550
2021		25,730
2022		26,967
2023 and thereafter		718,124
	\$	841,146

12. Capital stock:

The Corporation is authorized to issue an unlimited number of common shares.

The Corporation has issued 100 common shares to the City of Hamilton with a book value of \$76,300 (2016 - \$76,300) with no par value.