

**HALDIMAND-NORFOLK HOUSING CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**MILLARD, ROUSE & ROSEBRUGH LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of the Haldimand-Norfolk Housing Corporation**

We have audited the accompanying financial statements of Haldimand-Norfolk Housing Corporation, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in fund balances and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation 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 presentation of the financial statements.

We believe that the audit evidence we have obtained 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 Haldimand-Norfolk Housing Corporation as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with the basis of accounting described in Note 2.

*Basis of Accounting and Restrictions on Use and Distribution*

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes the basis of accounting. These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, are solely for the information and use of the directors of Haldimand-Norfolk Housing Corporation and the CMSM. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

*Millard, Rouse & Rosebrugh LLP*

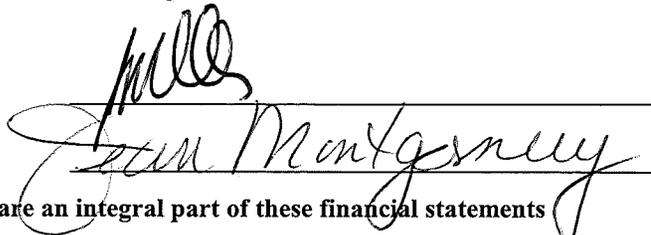
**May 15, 2018**  
**Simcoe, Ontario**

**Chartered Professional Accountants**  
**Licensed Public Accountants**

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2017 \$	Total 2016 \$
<b>CURRENT ASSETS</b>							
Cash	279,348	-	-	-	-	279,348	91,605
Investments - Note 4	176,809	-	-	-	-	176,809	89,003
Accounts Receivable	24,379	-	-	-	-	24,379	102,237
HST Receivable	36,346	-	-	-	-	36,346	23,699
Inventory	2,039	-	-	-	-	2,039	2,083
Prepaid Expenses	77,944	-	-	-	-	77,944	81,532
Due from (to) Own Funds - Note 5	(225,920)	145,871	21,333	48,716	10,000	-	-
	<u>370,945</u>	<u>145,871</u>	<u>21,333</u>	<u>48,716</u>	<u>10,000</u>	<u>596,865</u>	<u>390,159</u>
<b>EMPLOYEE ADVANCES (OMERS) - Note 6</b>	180,327	-	-	-	-	180,327	190,334
<b>PROPERTY AND EQUIPMENT- Note 7</b>	-	-	14,964,685	-	-	14,964,685	14,950,243
	<u>551,272</u>	<u>145,871</u>	<u>14,986,018</u>	<u>48,716</u>	<u>10,000</u>	<u>15,741,877</u>	<u>15,530,736</u>
<b>CURRENT LIABILITIES</b>							
Accounts Payable	236,745	-	-	-	-	236,745	275,783
Deferred Revenue - Note 8	18,643	-	-	-	-	18,643	7,125
	<u>255,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,388</u>	<u>282,908</u>
<b>SHARE CAPITAL - Note 10</b>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
<b>FUND BALANCES</b>							
Unrestricted	295,784	145,871	35,775	48,716	10,000	536,146	297,485
Externally Restricted - Note 11	-	-	14,950,243	-	-	14,950,243	14,950,243
	<u>295,784</u>	<u>145,871</u>	<u>14,986,018</u>	<u>48,716</u>	<u>10,000</u>	<u>15,486,389</u>	<u>15,247,728</u>
	<u>551,272</u>	<u>145,871</u>	<u>14,986,018</u>	<u>48,716</u>	<u>10,000</u>	<u>15,741,877</u>	<u>15,530,736</u>

Approved by the Board of Directors:

  
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 John Montgomery

The accompanying notes are an integral part of these financial statements

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2017 \$	Total 2016 \$
Fund Balance - Beginning of the Year	83,613	137,065	14,986,018	31,032	10,000	<b>15,247,728</b>	15,183,800
Excess (Deficiency) of Revenue over Expenditures for the Year	259,476	-	(7,221)	(13,594)	-	<b>238,661</b>	63,928
Interfund Transfers - Note 5	<u>(47,305)</u>	<u>8,806</u>	<u>7,221</u>	<u>31,278</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - End of the Year</b>	<u><u>295,784</u></u>	<u><u>145,871</u></u>	<u><u>14,986,018</u></u>	<u><u>48,716</u></u>	<u><u>10,000</u></u>	<u><u><b>15,486,389</b></u></u>	<u><u>15,247,728</u></u>

The accompanying notes are an integral part of these financial statements

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Operating Fund \$	Deferred Staff Entitlement Reserve Fund \$	Capital Asset Fund \$	Capital Reserve Fund \$	Insurance Claim Reserve Fund \$	Total 2017 \$	Total 2016 \$
<b>REVENUE</b>							
Rent	1,632,598	-	-	-	-	1,632,598	1,583,008
Government Subsidy	1,188,954	-	-	500,000	-	1,688,954	1,587,422
Municipal funding - SHIP	-	-	-	371,913	-	371,913	-
Property Management Fees and Recoveries	216,781	-	-	27,590	-	244,371	236,435
	<u>3,038,333</u>	<u>-</u>	<u>-</u>	<u>899,503</u>	<u>-</u>	<u>3,937,836</u>	<u>3,406,865</u>
<b>EXPENDITURES</b>							
<b>CORPORATE COSTS</b>							
Salaries, Wages and Benefits	1,048,281	-	-	-	-	1,048,281	1,097,468
Administrative Expenses	163,048	-	-	-	-	163,048	142,573
Supplies and Equipment	27,033	-	-	-	-	27,033	30,427
Amortization	-	-	7,221	-	-	7,221	-
<b>TOTAL CORPORATE COSTS</b>	<u>1,238,362</u>	<u>-</u>	<u>7,221</u>	<u>-</u>	<u>-</u>	<u>1,245,583</u>	<u>1,270,468</u>
<b>CAPITAL COSTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913,097</u>	<u>-</u>	<u>913,097</u>	<u>440,968</u>
<b>MATERIALS AND SERVICES</b>							
Life Safety Systems	40,420	-	-	-	-	40,420	31,384
Roofing	18,315	-	-	-	-	18,315	9,813
Building Repairs	181,299	-	-	-	-	181,299	152,814
Telephone Communications	21,858	-	-	-	-	21,858	21,840
Elevators Operating	15,530	-	-	-	-	15,530	16,310
Electrical Repairs	33,108	-	-	-	-	33,108	27,640
Appliance Repairs	8,281	-	-	-	-	8,281	8,670
Grounds Maintenance	90,254	-	-	-	-	90,254	95,744
Heating and Ventilation Repairs	55,947	-	-	-	-	55,947	46,767
Plumbing Repairs and Maintenance	52,887	-	-	-	-	52,887	49,708
Painting Operating	1,769	-	-	-	-	1,769	4,052
Sundry Materials and Services	19,101	-	-	-	-	19,101	20,279
<b>TOTAL MATERIALS AND SERVICES</b>	<u>538,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,769</u>	<u>485,021</u>
<b>UTILITIES</b>	<u>470,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,016</u>	<u>542,296</u>
<b>MUNICIPAL TAXES AND OTHER COSTS</b>	<u>531,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,710</u>	<u>604,184</u>
<b>TOTAL EXPENDITURES</b>	<u>2,778,857</u>	<u>-</u>	<u>7,221</u>	<u>913,097</u>	<u>-</u>	<u>3,699,175</u>	<u>3,342,937</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u>259,476</u>	<u>-</u>	<u>(7,221)</u>	<u>(13,594)</u>	<u>-</u>	<u>238,661</u>	<u>63,928</u>

The accompanying notes are an integral part of these financial statements

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenue over Expenditures for the Year	238,661	63,928
Items not Requiring an Outlay of Cash:		
Change in Market Value of Investments	12,807	10,655
Amortization	<u>7,221</u>	<u>-</u>
	<u>258,689</u>	<u>74,583</u>
Changes in Non-Cash Working Capital Components:		
(Increase) Decrease in Accounts Receivable	65,211	(53,538)
(Increase) Decrease in Inventory	44	(9)
(Increase) Decrease in Prepaid Expenses	3,588	(2,488)
Increase (Decrease) in Accounts Payable	(39,038)	18,977
Increase (Decrease) in Deferred Revenue	<u>11,518</u>	<u>7,125</u>
	<u>41,323</u>	<u>(29,933)</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>300,012</u>	<u>44,650</u>
<b>CASH PROVIDED BY (USED IN) FINANCING AND INVESTING ACTIVITIES</b>		
Sale of Investments	-	28,690
Purchase of Investments	(100,612)	-
Purchase of Equipment	(21,664)	-
Repayment of Employee Advances (OMERS)	<u>10,007</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING AND INVESTING ACTIVITIES</b>	<u>(112,269)</u>	<u>28,690</u>
<b>NET INCREASE IN CASH</b>	187,743	73,340
<b>CASH - Beginning of the Year</b>	<u>91,605</u>	<u>18,265</u>
<b>CASH - End of the Year</b>	<u><u>279,348</u></u>	<u><u>91,605</u></u>

The accompanying notes are an integral part of these financial statements

**HALDIMAND-NORFOLK HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**1. PURPOSE OF THE ORGANIZATION**

The Haldimand-Norfolk Housing Corporation commenced operations on January 1, 2001 with the purpose of providing affordable housing to those in need. The Haldimand-Norfolk Housing Corporation incorporated on December 14, 2000 under the Corporations Act for the Province of Ontario as a corporation with share capital and is registered as a Not for Profit Organization for the purposes of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the agreement with the Consolidated Municipal Service Manager (CMSM). 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 building and furniture and equipment pursuant to the Transfer Order described under Note 3;
- (ii) any prior year subsidy adjustments made by the CMSM to prior years' financial statements are recorded as an adjustment to opening fund balances, of the appropriate fund, in the year the adjustment is made;
- (iii) any capital costs approved before the year end that have not been received, completed or started until the subsequent year, are recognized as capital committed liabilities in the Capital Reserve Fund;
- (iv) any debt associated with the properties transferred to the Corporation from the Province of Ontario are not recorded on the Statement of Financial Position of the Corporation. For properties debentured by the Province of Ontario, neither the notional grant revenue or mortgage cost expenditure is recognized in the Corporation's Statement of Operations. For properties mortgaged with lending institutions, the Province of Ontario cash flows to the corporation the annual principal and interest requirements. The Corporation records both the grant revenue and mortgage cost expenditure on the Statement of Operations. The Corporation is contingently liable for the total amount of this debt as disclosed in Note 9; and
- (v) the allocation of the technical service costs are treated as expense of the Capital Reserve Fund and not as an interfund transfer from the Operating Fund to the Capital Reserve Fund.
- (vi) the payments for any retirement gratuities are recorded as an expense in the year such payments are made to the respective employee. No provision for any post retirement benefits is recorded in these financial statements.

**HALDIMAND-NORFOLK HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**2 SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(b) Fund Accounting**

The Operating Fund reports the assets, liabilities, revenues and expenditures related to operating and administrative activities of the corporation. This fund reports unrestricted operational resources.

The Capital Asset Fund records assets, liabilities, revenues and expenditures related to the Corporation's property and equipment. This fund reports any unrestricted transfers of leasehold improvements and equipment purchases made throughout the year and the fund reports the externally restricted transfer of land, buildings, furniture and fixtures received from the government.

The Capital Reserve Fund records the restricted government subsidy and allowable expenditures considered to be regular on-going capital in nature.

The Deferred Staff Entitlement Reserve Fund records the assets, liabilities, revenues and expenditures with respect to future staff retirement obligations.

The Insurance Claim Reserve Fund records amounts provided for the deductible portion of possible future insurance claims.

**(c) Investments**

Investments are recorded at market value. Changes to market value are recorded in the current years' Statement of Operations.

**(d) Leasehold Improvements and Computer Equipment**

Leasehold improvements and computer equipment are recognized at cost and amortized on a straight-line basis as follows:

Leasehold Improvements	5 years
Computer Equipment	3 or 5 years

**(e) Revenue Recognition**

The Corporation follows the restricted fund method of accounting for contributions.

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, if any, 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 revenue of the appropriate restricted fund in the year received or receivable.

Rental income is recognized as revenue of the Operating Fund the first day of every month for any unit with a tenant. Rent adjustments are recognized in the period they are processed.

Government subsidies and all other incomes are recognized as revenue of the Operating Fund and Capital Reserve Fund when the amount is receivable. The operating subsidy is recognized based on the approved fiscal allocation by the CMSM.

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(f) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not for Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**3. INCORPORATION AND COMMENCEMENT OF OPERATIONS**

Bill 128 (the Social Housing Reform Act, 2000) provided for the formation of local housing corporations to be organized under the provisions of the Ontario Business Corporations Act with a municipal service manager as the sole shareholder. The Haldimand-Norfolk Housing Corporation was incorporated under the Ontario Business Corporations Act on December 14, 2000. The Corporation was deemed upon incorporation to have issued 100 common shares to The Corporation of Norfolk County (Norfolk County). On July 12, 2001, Norfolk County transferred 40 of its 100 shares to The Corporation of Haldimand County (Haldimand County).

Pursuant to a Transfer Order made under the Social Housing Reform Act, all assets, liabilities, rights and obligations with respect to the local housing authority were transferred from the Ontario Housing Corporation to the Haldimand-Norfolk Housing Corporation, effective January 1, 2001, which was equal to their estimated fair market value at the transfer date. No amortization is to be provided on these transferred assets. Operating subsidies will be disbursed by Norfolk County, as service manager, and will continue to be subject to annual reconciliation and reporting requirements.

Furniture and fixtures transferred under the Social Housing Act were recorded at their fair market value at the transfer date. The transferred amounts have been recorded as contributed surplus.

**4. INVESTMENTS**

Investments are held in mutual fund investments and recorded at their fair values of \$176,809 (2016 - \$89,003) as at December 31, 2017. The fair values of the investments are based on quoted market values.

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**5. DUE FROM (TO) OWN FUNDS**

The Operating Fund owes the Deferred Staff Entitlement Reserve Fund, Capital Asset Fund and the Capital Reserve Fund a net balance of \$225,920. The loans are interest free with no set repayment terms. The net balance is comprised of the following:

The Operating Fund has used the net operating assets transferred from the Province of Ontario to the Capital Asset Fund and owes the Capital Asset Fund \$21,333.

The Operating Fund retains any funding received for the Capital Reserve Fund in its bank account and pays for all of the capital costs on behalf of the Capital Reserve Fund. The Operating Fund owes the Capital Reserve Fund \$48,716.

The Operating Fund retains any funding received for the Deferred Staff Entitlement Fund in its bank account and pays for all of the associated costs of the Deferred Staff Entitlement Fund. The Operating Fund owes the Deferred Staff Entitlement Fund \$145,871.

The Operating Fund retains any funding received for the Insurance Claim Reserve Fund in its bank account and pays for all of the associated costs of the Insurance Claim Reserve Fund. The Operating Fund owes the Insurance Claim Reserve Fund \$10,000.

During the year, the Operating Fund transferred \$8,806 to the Deferred Staff Entitlement Reserve Fund to fund future estimated retirement payments owing to staff upon retirement.

During the year, the Operating Fund transferred \$7,221 to the Capital Fund to fund the annual amortization expense.

During the year, the Operating Fund transferred \$31,278 to the Capital Reserve Fund in order to fund the capital SHIP expenditures in excess of the SHIP municipal funding .

**6. EMPLOYEE ADVANCES (OMERS)**

The balance of employee advances is a direct result of OMERS contribution costs related to the social housing business transfer that occurred in 2001. The advances bear interest at the quarterly prescribed interest rate of the Canada Revenue Agency, and all interest revenue is received by the Corporation no later than 30 days after year-end. During the year, \$1,803 of interest was earned. The loans will be repaid over a maximum 10 year period after the affected employee(s) retire from the Corporation. The loans are unsecured; but they represent the affected employees estimated retirement benefit that would be due from the Corporation.

**7. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2017 Total</b>	<b>2016 Total</b>
	\$	\$	\$	\$
Land and Building	14,647,400	-	<b>14,647,400</b>	14,647,400
Furniture and Fixtures	302,843	-	<b>302,843</b>	302,843
Leasehold Improvements	90,957	90,957	-	-
Computer Equipment	118,784	104,342	<b>14,442</b>	-
	<u>15,159,984</u>	<u>195,299</u>	<u><b>14,964,685</b></u>	<u>14,950,243</u>

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**8. DEFERRED REVENUE**

During the year, the Corporation received \$29,473 in funding from the Community Homelessness Prevention Initiative to fund wages and benefits for additional hours worked by an employee for the period April 1, 2017 to March 31, 2018. The deferred revenue amount of \$8,473 represents the three months of the contract spanning the 2017 fiscal period.

During the year, the Corporation received \$103,030 in funding for a Regeneration Study. Of this amount, \$10,170 has been reported as deferred revenue which will be recongnized in 2018.

**9. CONTINGENT LIABILITIES**

There is \$1,154,819 in outstanding debentures placed on specific properties managed by the Haldimand-Norfolk Housing Corporation. Although the debentures are secured against the assets, the Corporation is not responsible for payment. The Ministry directly pays these balances. Neither the debt, repayments nor the notional grant revenue has been included in these financial statements.

**10. SHARE CAPITAL**

	2017	2016
	\$	\$
<b>Authorized</b>		
Unlimited common shares		
 <b>Issued</b>		
100 common shares	100	100

**11. EXTERNALLY RESTRICTED FUND BALANCE**

The amount of \$14,950,243 represents the assets transferred to the Haldimand-Norfolk Housing Corporation to be held as externally restricted resources for capital purpose pursuant to the transfer agreement.

**12. CAPITAL MANAGEMENT**

The Haldimand-Norfolk Housing Corporation considers its capital to be the balance maintained in its unrestricted fund balances. The primary objective of the Corporation is to manage its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives.

**13. CONTINGENCIES**

The Corporation has a number of pending insurance claims open at the year-end. Based upon the nature of the potential claims, the Corporation believes that the insurance policy will be adequate to cover any potential damage awards. As as December 31, 2017 the likelihood of future liabilities with respect to these outstanding claims is not determinable, and no amount has been accrued in these financial statements. The Corporation has a \$10,000 deductible on each claim.

**HALDIMAND-NORFOLK HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**14. COMMITMENTS**

The Corporation provides a retirement gratuity benefit to qualified employees. As at December 31, 2017, the total amount committed is \$326,198. Of this amount, \$145,871 has been provided for in the Deferred Staff Entitlement Reserve Fund. The balance of \$180,327 will be funded from current operations in the year the affected employees retire.

**15. SUBSEQUENT EVENT**

Subsequent to year-end, an insurance claim against the Corporation was settled. The Corporation paid the \$10,000 deductible. This \$10,000 has been accrued in the December 31, 2017 financial statements.

**16. FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, investments, accounts receivable and accounts payable.

**(a) Fair Value**

Cash, investments, accounts receivable and accounts payable are all short-term in nature and as such, their carrying values approximate fair value.

**(b) Credit Risk**

Some rental revenues are made on credit and are in arrears that are subject to normal industry credit risks. Adequate provision has been made for any anticipated uncollectible amounts.