



NORTHWEST TERRITORIES HOUSING CORPORATION

**ANNUAL
REPORT
1974**

Northwest Territories Housing Corporation

Notes to Financial Statements

For the year ended December 31, 1974

1. Accounting Policy

a) **Transfer of Indian and Eskimo Northern Rental Houses.**
Indian and Eskimo northern rental houses constructed by the Northwest Territories have been recorded on the books of the Corporation at their cost to the Northwest Territories. Other houses under this program have also been transferred to the Corporation and will be recorded in the Corporation's accounts when a complete inventory is taken.

b) **Depreciation on Investment in Projects.**
In the current year depreciation on housing projects was applied only on non-profit and single persons accommodation. Provision for depreciation is calculated using the sinking fund method. Depreciation was not provided for other housing projects in the current year as they were either under construction or in the process of being finalized.

2. Commencement of Operations

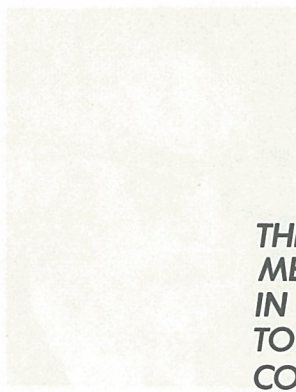
The Northwest Territories Housing Corporation was established under the authority of the Northwest Territories Housing Corporation Ordinance and commenced operations January 1, 1974.

3. Long-term Debt

Mortgages are payable to Central Mortgage and Housing Corporation over periods of 30 to 50 years at interest rates of 7 3/4% and 7 7/8%. Advances from Central Mortgage and Housing Corporation will be converted into debentures on final completion of the applicable housing projects. The repayment of principal and interest on borrowings by the Corporation are guaranteed by the Commissioner of the Northwest Territories under provision of Section 15 of the Northwest Territories Housing Corporation Ordinance. Loans from Canada bear interest at rates varying between 5 1/8% and 7 11/16%.

4. Directors' Remuneration

There are eight directors of the Northwest Territories Housing Corporation. Total remuneration paid to directors amounted to \$4,050 in the current year.



THE NORTH IS A FRONTIER. IT IS A FRONTIER FOR BOTH MEN AND IDEAS. THE FIRST PRIORITY FOR GOVERNMENT IN THE NORTH SHOULD BE TO ENABLE ITS CITIZENS TO SHELTER THEIR FAMILIES AND THEMSELVES IN SAFETY, COMFORT AND DIGNITY

.....Northwest Territories Council Task Force on Housing

REPORT OF THE CHAIRMAN.....	2
BOARD OF DIRECTORS.....	3
REPORT OF THE MANAGING DIRECTOR.....	4
ORGANIZATION OF THE CORPORATION.....	6
ENABLING LEGISLATION AND OBJECTIVES.....	7
CORPORATE STRUCTURE.....	8
Managing Director's Office	
Administrative Division	
Property and Contract Management Division	
Program, Planning and Research Division	
Finance Division	
PROGRAMS OF THE CORPORATION.....	10
Rental Purchase Program	
Territorial Second Mortgage Program	
Single Person Accommodation	
Senior Citizen Accommodation	
Land Assembly Program	
Country Home Assistance Program	
FINANCIAL STATEMENT.....	12

Yours sincerely,
[Signature]
S. W. Hancock
Chairman
Board of Directors
Northwest Territories
Housing Corporation



S. W. Hancock

Commissioner and Council of the Northwest Territories

Sirs:

I have the honor to submit herewith the annual financial statement and operating report of the Northwest Territories Housing Corporation for the period January 1 to December 31, 1974. The financial statement has been duly certified by the Auditor General, Canada, all in accordance with the Northwest Territories Housing Corporation Ordinance.

In transmitting this report, I believe it is timely to take the opportunity on behalf of the Board of Directors to congratulate the management and staff of the Corporation for their efforts in our endeavours. In addition to carrying out the day-to-day work of the Corporation, the management and staff have exhibited teamwork and dexterity in establishing the Corporate framework through which the various housing programs can be delivered. As a result, the identity of the Corporation has been achieved and confirmed.

The Board of Directors in carrying out their role met eight times during 1974 to review the work and gave guidance and approval to policy matters affecting the Corporation. The first review of the year's programs confirms the commencement of the construction of some 235 rental purchase units of which 161 family units were completed. This number fell short of the intended annual number of units which are to be constructed, but in approving of these restrictions consideration had to be given to limited staff situations, the carrying out of ongoing programs and property management of more than 3,000 units and the establishment of the operating framework. Other results achieved, however, greatly exceeded the expectations of the Board of Directors.

Good working relationships have been established with the various levels of government, particularly with Central Mortgage and Housing Corporation. In looking to the following years, the Corporation management must apply themselves to providing a variety of programs of which you are aware. Every effort must be made to promote the construction of not less than 500 units of housing annually if adequate housing conditions are to be achieved in the next five years.

In forwarding this report, I would express my appreciation to my fellow Board members, the members of the Council of the Northwest Territories, the Commissioner and the administration of the Government of the Northwest Territories for their guidance and support.

Respectfully submitted.

Yours sincerely

S. W. Hancock
 Chairman
 Board of Directors
 Northwest Territories
 Housing Corporation

Northwest Territories Housing Corporation

Ancillary Operations

For the year ended December 31, 1974

Expenditure of log machine operations	
Material	\$ 10,730
Labour and employee benefits	6,768
Supervision	3,986
Travel	3,964
Depreciation	1,500
Consulting fees	1,335
Utilities and operating fuel	1,236
Royalties	1,144
Freight and communications	866
Advertising	30
	31,559
Costs transferred to construction projects	22,875
Costs transferred to statement of income and expense	\$ 8,684

Schedule 1

Northwest Territories Housing Corporation

Investment in Projects

December 31, 1974

	Housing Loans	Northern Rental Houses	Public Housing	Senior Citizens Housing	Total
Mortgages	\$ 683,300				\$ 683,300
Buildings, at cost, less accumulated depreciation	\$ 11,157,480	\$ 4,986,400			16,143,880
Advances to Federal, Territorial, Municipal Housing Projects, at cost		1,934,681	757,330	\$ 454,615	1,211,945
Construction in progress, at cost	\$ 683,300	\$ 13,092,161	396,399	\$ 454,615	2,331,080
	\$ 683,300	\$ 6,140,129	\$ 6,140,129	\$ 454,615	\$ 20,370,205



BOARD OF DIRECTORS, 1974

The Board of Directors meet at least once every quarter at the Head Office of the Northwest Territories Housing Corporation, located in the Bellanca Building, 50 Street, Yellowknife.

- | | |
|---|--|
| Sid W. Hancock, Chairman
Yellowknife | Lena Pederson
Coppermine |
| Cecilia Wetade, Vice Chairman
Rae-Edzo | Ewan M. R. Cotterill
Yellowknife |
| Fred Carmichael
Inuvik | Simeon Aklunark
Rankin Inlet |
| Bryah Pearson
Frobisher Bay | Roy S. McClure, Managing Director
Yellowknife |
| David Simailak
Baker Lake | |



NORTHWEST TERRITORIES HOUSING CORPORATION



Roy S. McLure

Chairman
Board of Directors
Northwest Territories
Housing Corporation

Mr. Chairman:

I have the honour to transmit the Report of Operations together with the Financial Statement of the Northwest Territories Housing Corporation for the year ending December 31, 1974. The Financial Statement covers the period January 1 to December 31; however, on reflection of administrative operations, the Corporation ground work was laid during the period beginning August 22, 1973, in preparation for commencement of operations for the year under review. For historical purposes I have taken the liberty of including remarks respecting the 'start-up' time in 1973 as no report was published for that period.

On August 22, 1973, the Board appointed myself to be Acting Chief Executive Officer pending competitions for the position of Managing Director. September 1, 1973, three program personnel were transferred to the Corporation from the Department of Local Government Housing Division, as well as four regional Housing Officers. From that time personnel were recruited to fill the positions of Heads of the Program, Planning and Research Division, Property and Contract Management Division, and Finance Division together with divisional staff positions. Your Managing Director was appointed October 15, 1973, thus establishing the Executive office. From that point the operating framework was established in order to officially commence operations from January 1, 1974.

The first year of operations has been a challenging but exciting year. Major policy matters were presented to the Board for approval during seven regular and one special Board of Directors meetings. A Trunor log lathe and cut-off machine was purchased and located in Fort Resolution for construction of five lathe turned log homes. More than 60 Housing Associations and Authorities were contracted as agents of the Corporation for the property management of 3,080 housing units. The Corporation made operating grants totalling \$3,600,000.00 to these Housing Associations/Authorities for payment of costs of fuel, power, water and sanitation, maintenance of housing stock, wages for Association Secretary-Managers and Association Directors' honorariums. Contracts totalling \$2,670,629.10 were awarded for the construction of 161 rental/purchase units and 24 senior citizens' units in 38 communities. Of significance, only two 'southern' contractors were used for the erection of family units in the smaller communities. The remainder of construction was carried out by locally established housing associations, co-operatives, companies or entrepreneurs. Comprehensive training programs were carried out with local housing associations and a detailed maintenance manual in layman's terms was published in the Inuit and English languages. A detailed housing needs study was completed which indicated a 1974 year-end need for 2,000 family housing units, 800 of which would be for replacement of substandard units and 1200 units to overcome overcrowding conditions. A planned restraints program for the conservation and reduction of costs in heating and power was successfully carried out with the finest of co-operation from the tenants of the rental units. I must emphasize that the success of all Corporation activities has been dependent upon the tenants and tenants associations who we serve. Without their co-operation and good will, success would not be possible.

Northwest Territories Housing Corporation

Statement of Changes in Financial Position

For the year ended December 31, 1974

Source of Funds:

Operations

Excess of revenue over expense	\$ 254,970
Items not requiring an outlay of funds	12,125
	<u>267,095</u>

Capital funds received from the Northwest Territories 5,470,765

Disposal of capital assets	3,100
	<u>5,740,960</u>

Application of Funds

Transfer of assets and liabilities, January 1

Non current assets acquired	15,687,256
Less non current liabilities assumed	4,668,940
	<u>11,018,316</u>
Equity arising on transfer	10,919,916
	98,400

Capital project expenditures 4,535,858

Excess of mortgage loans granted over principal repayments 121,747

Net reduction of long-term debt 116,556

Acquisition of fixed assets	87,510
	<u>4,960,071</u>

Working capital at end of year \$ 780,889

Northwest Territories Housing Corporation

Statement of Income and Expense

For the year ended December 31, 1974

Revenue:	
Grants - Northwest Territories	
Operating	\$ 3,811,250
Capital used for extraordinary repairs, renovations and home ownership assistance	<u>244,860</u>
	4,056,110
Other	
Interest	209,322
Expenditure recoveries	107,026
Rentals	46,544
Gain on disposals	<u>4,900</u>
Investment Projects	
Rental revenue received from Housing Authorities under lease agreements	<u>83,270</u>
	4,507,172
Expense:	
Program	
Operating grants - Housing Authorities	3,121,358
Special programs and subsidies	168,669
Home ownership assistance	69,646
Mortgages forgiven	<u>5,992</u>
	3,365,665
Extraordinary repairs and renovations	<u>175,215</u>
Investment Projects	
Interest	75,606
Depreciation (Note 1)	<u>9,566</u>
	85,172
Residual costs on ancillary operations - Schedule 2	<u>8,684</u>
Administrative	
Salaries and employee benefits	301,518
Professional and special services	74,266
Travel	57,328
Recruitment and removal	55,139
Interest	47,978
Rentals - buildings and equipment	28,250
Communications	21,325
Stationery and supplies	17,699
Directors fees and expenses	9,607
Depreciation	2,731
Other	<u>1,625</u>
	617,466
Total expenditure	<u>4,252,202</u>
Excess of revenue over expense	<u>\$ 254,970</u>

The accompanying notes are an integral part of the financial statements.

Throughout the year, District Offices were established at Inuvik, Fort Smith, Rankin Inlet, Frobisher Bay and Cambridge Bay. Duties and responsibilities of the Corporation have developed to the point where the initial organization has been put in place. An Executive Committee comprised of the Managing Director, together with the Heads of Program, Planning and Research Division, Property and Contract Management Division and the Finance Division has been established. This committee reviews the total work of the Corporation on a weekly basis and decides on all matters of detailed operating policy for which a general policy has been approved by the Board.

In looking to the following year of operations, I would recommend an intensive thrust be made to establish the housing development funds in order to clearly identify same in the Financial Statement. Work will continue on the proposed Home Acquisition Grants Program and the Home Operations Assistance Program. A comprehensive housing program which will provide for the construction of more than 3,000 family housing units to fill the need for the 2,000 family units present shortage and 1,000 family units which will be required over the next five years, due to new family formations. Research will be conducted into the method of funding a corporate sinking fund or insurance fund required under lending agreements pursuant to the National Housing Act.

In conclusion, the management and staff wish to thank you, the Chairman, and other members of the Board of Directors for your joint leadership. I also wish to extend my personal appreciation to the entire staff of the Corporation for their enthusiasm and drive, participating Housing Associations and Authorities for their resourcefulness, as well as all levels of elected or administrative government, Federal, Territorial, Municipal, and Local for their willingness and co-operation.

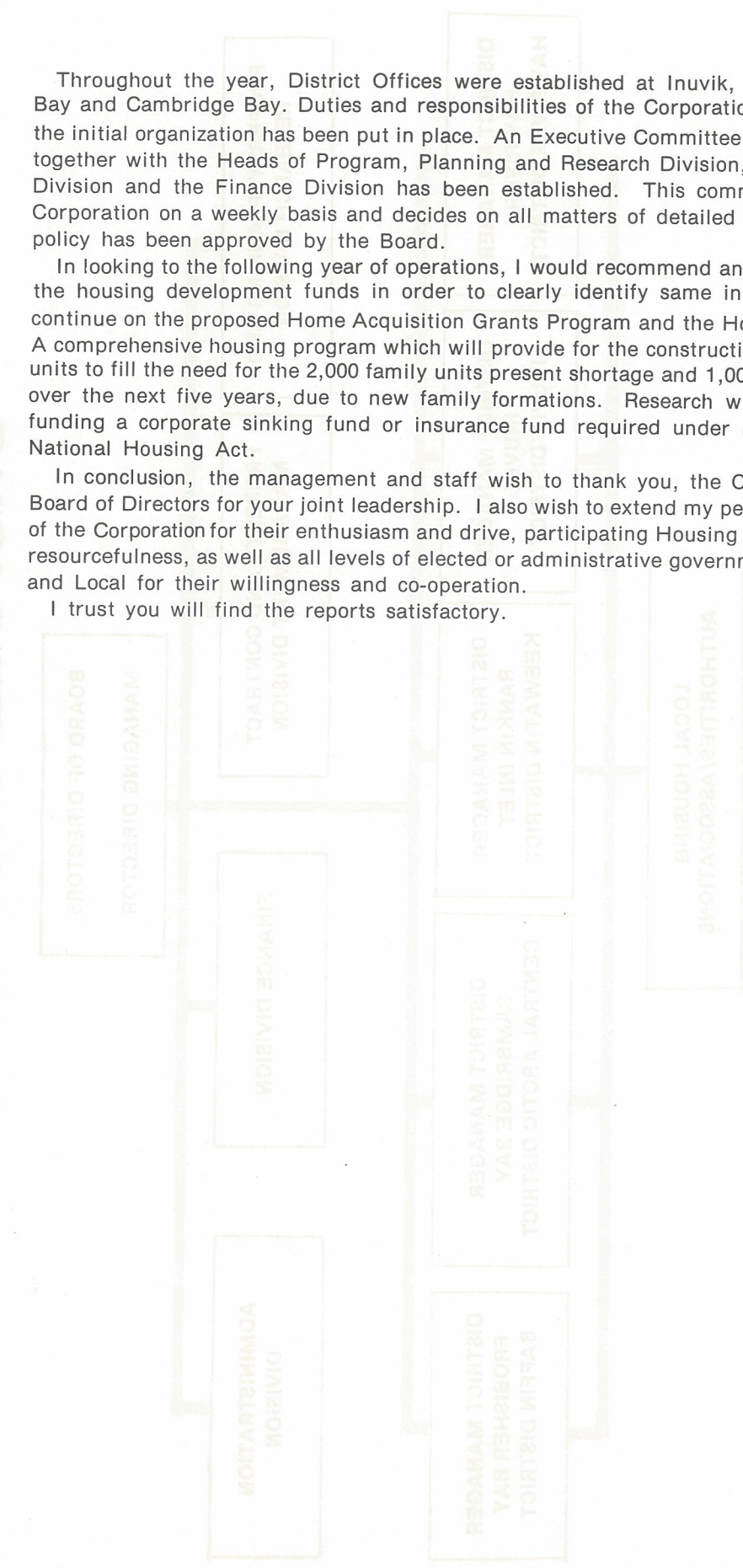
I trust you will find the reports satisfactory.

Yours sincerely



Roy S. McClure
Managing Director

ORGANIZATION CHART



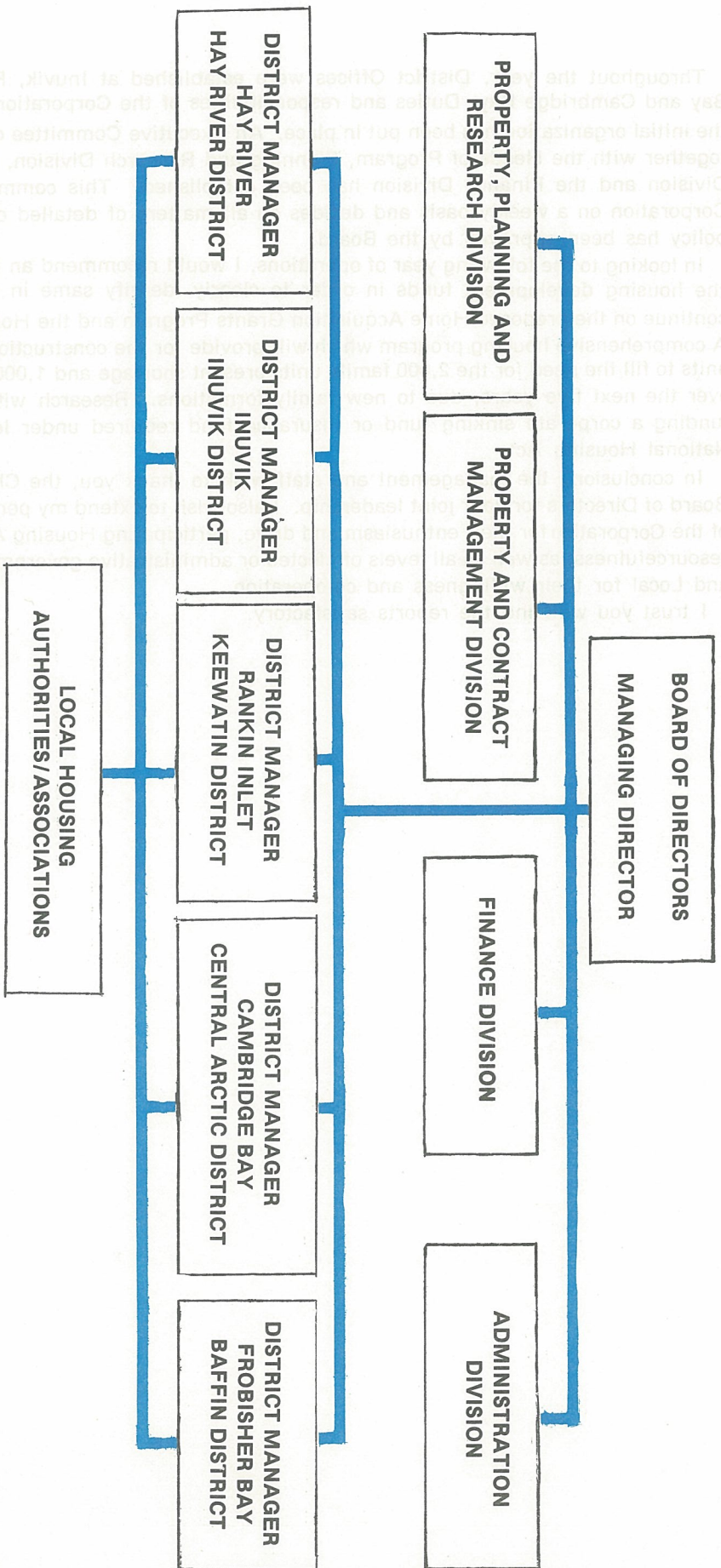
Northwest Territories Housing Corporation

Statement of Equity

For the year ended December 31, 1974

Transfer of assets and liabilities from the Northwest Territories	\$ 10,919,916
Grants for capital projects	5,470,765
Excess of income over expense for the year	<u>254,970</u>
	<u>\$ 16,645,651</u>

ORGANIZATION CHART



HEAD OFFICE

Main Floor, Bellanca Building
50 Street, P.O. Box 2100, Yellowknife, N.W.T.
Telex 034-4-5587 Telephone (403) 873-3411

DISTRICT OFFICES

HAY RIVER DISTRICT
P.O. Box 1750, Hay River, N.W.T.
Phone (403) 874-6396

INUVIK DISTRICT
P.O. Box 2200, Inuvik, N.W.T.
Phone (403) 979-2880

BAFFIN DISTRICT

P.O. Box 418, Frobisher Bay, N.W.T.
Phone (819) 797-5266

CENTRAL ARCTIC DISTRICT
P.O. Box 98, Cambridge Bay, N.W.T.
Phone (403) 983-2276

KEEWATIN DISTRICT
Rankin Inlet, N.W.T.
Phone (819) 645-2826

Northwest Territories Housing Corporation

Balance Sheet

As at December 31, 1974

Assets

Current Assets	
Cash and short term deposits	\$ 2,962,556
Accounts receivable	130,428
	<u>3,092,984</u>
Investment in Projects - Schedule 1	20,370,205
Fixed Assets, at cost less accumulated depreciation	83,278
	<u>\$ 23,546,467</u>

Liabilities

Current Liabilities	
Accounts payable and accrued liabilities	\$ 938,806
Due to the Government of the Northwest Territories	1,110,058
Holdbacks payable	223,405
Current portion of long-term debt	39,826
	<u>2,312,095</u>
Long-term debt (Note 3)	
Mortgages payable to Central Mortgage and Housing Corporation less principal of \$8,300 due within one year	1,256,940
Advances from Central Mortgage and Housing Corporation	2,653,063
Loans payable to Canada less principal of \$31,526 due within one year	678,718
	<u>4,588,721</u>

Equity

Equity of the Northwest Territories	16,645,651
	<u>\$ 23,546,467</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board of Directors

Susan Cook Chairman

[Signature] Managing Director

I have examined the above balance sheet and the related statements of income and expense, equity and changes in financial position and have reported thereon under date of June 20, 1975 to the Council of the Northwest Territories.

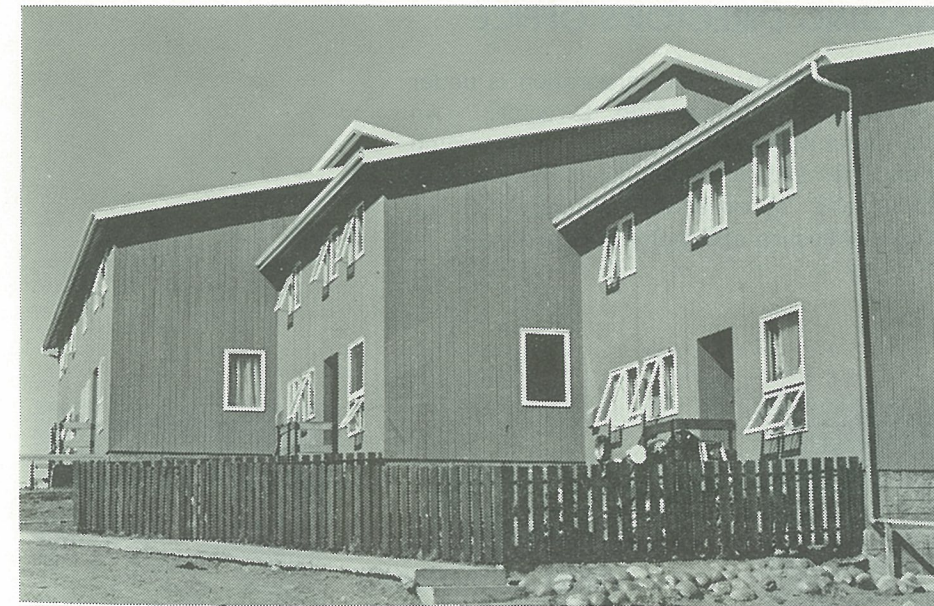
[Signature]
Auditor General of Canada

LEGISLATION

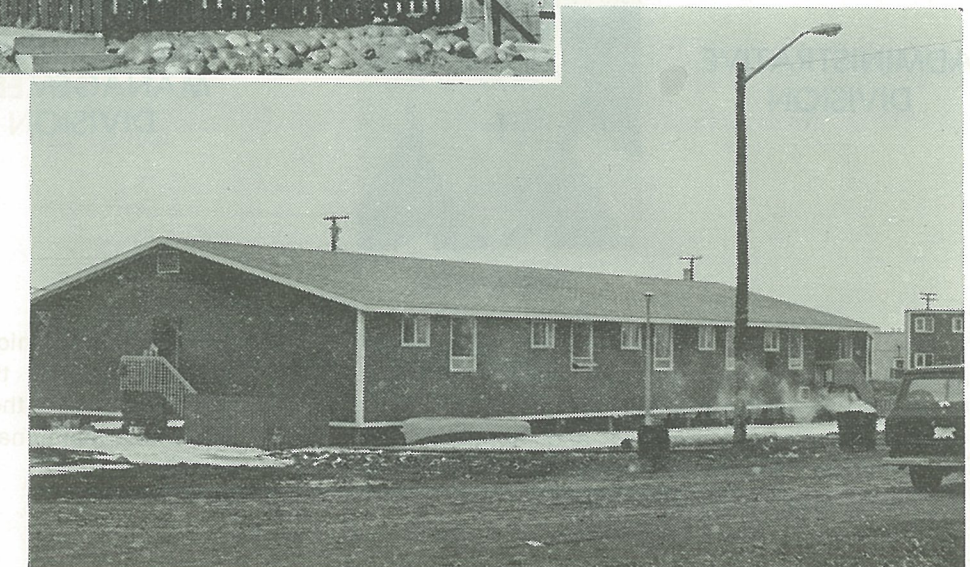
The Northwest Territories Housing Corporation became fully operational on January 1, 1974. In accordance with the Northwest Territories Housing Corporation Ordinance, the Board of Directors are appointed by the Commissioner on the recommendation of Council, and serve for a period of three years with the exception of the Managing Director who is appointed by the Board for a fixed period of time. The Northwest Territories Housing Corporation is a Crown Corporation and operates as an agent of the Commissioner.

OBJECTIVES

The objectives of the Corporation are the development and implementation of all government sponsored housing programs excepting Northwest Territories employees accommodation, and to meet housing needs through consultation with all residents.



Public Housing, Yellowknife



Senior Citizens Residence,
Inuvik

CORPORATE AFFAIRS

GENERAL RESPONSIBILITIES OF EACH DIVISION WITHIN THE CORPORATION



MANAGING DIRECTOR'S OFFICE

Day-to-day operation of the Corporation is under the direction of the Managing Director. An Executive Committee consisting of the Managing Director and the heads of the divisions meet weekly to examine and approve all business of the Corporation to ensure continuity and progress.

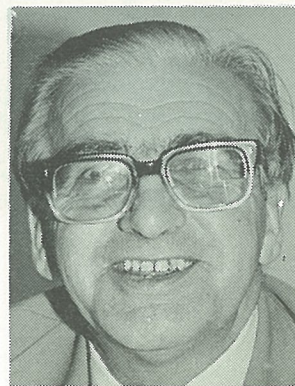
ADMINISTRATIVE DIVISION



Eve Briscoe

This division is responsible for the overall administration of functions, corporate purchasing, tendering, advertising, arranging interviews, filing systems, stationery supplies and administrative storage areas. The division supervisor also controls the typing and stenographic staff.

PROPERTY AND CONTRACT MANAGEMENT DIVISION



Vogn Norgaard

Staffed by technical and professional persons, it is responsible for the management, co-ordination and control of the Corporation's construction, preventive maintenance and property management systems.



AUDITOR GENERAL OF CANADA

AUDITEUR GÉNÉRAL DU CANADA

Ottawa, Ontario,

June 20, 1975.

Council of the Northwest Territories,
Yellowknife, Northwest Territories.

Dear Sirs,

I have examined the balance sheet of the Northwest Territories Housing Corporation as at December 31, 1974 and the statements of income and expense, equity and changes in financial position for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

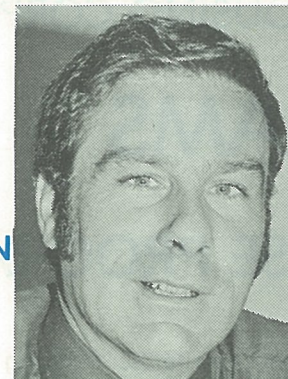
In my opinion these financial statements give a true and fair view of the financial position of the Northwest Territories Housing Corporation as at December 31, 1974 and the results of its operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles.

I further report that, in my opinion, proper books of account have been kept by the Northwest Territories Housing Corporation, the financial statements are in agreement therewith and the transactions that have come under my notice have been within its statutory powers.

Yours sincerely,

J. Macdonell
Auditor General of Canada.

**PROGRAM,
PLANNING AND
RESEARCH DIVISION**



Dennis Lowing

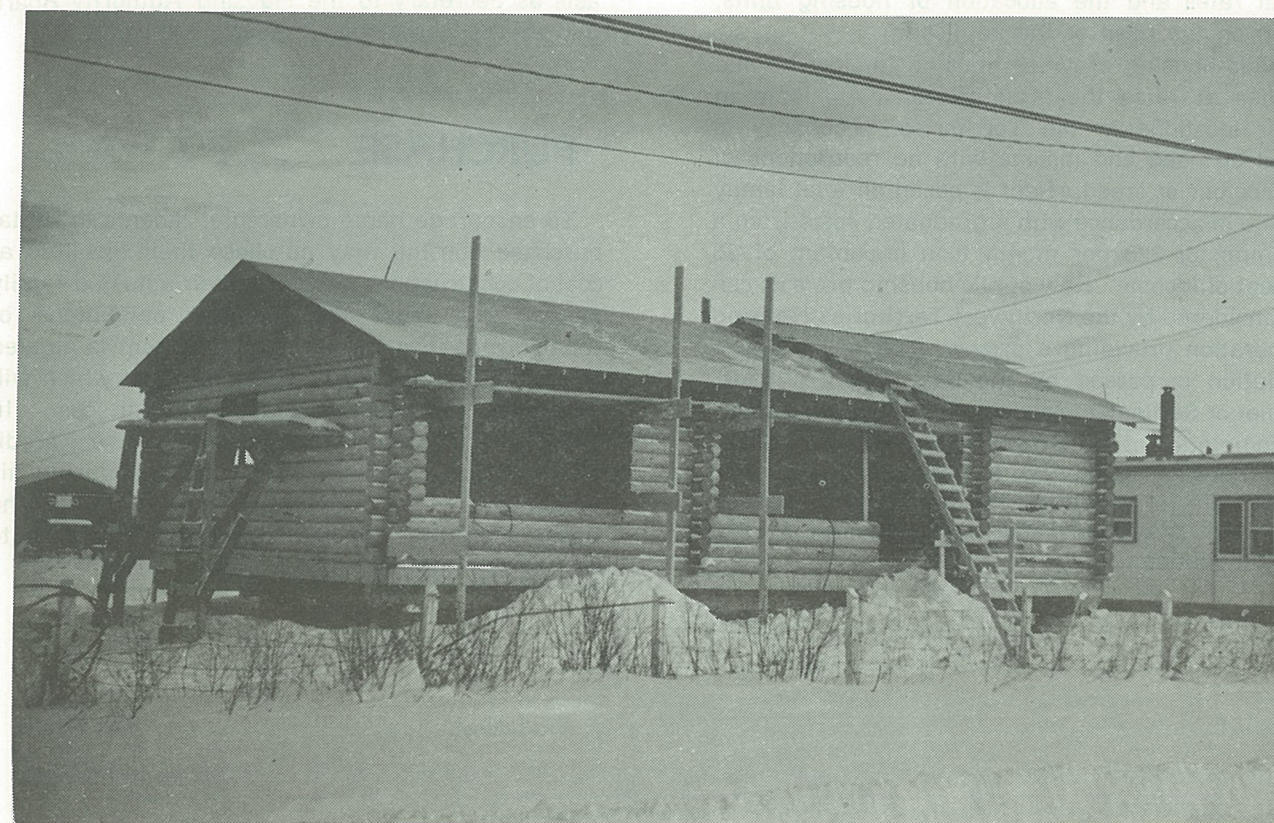
**FINANCE
DIVISION**



John Verhappen

This division is responsible for the formulation and planning of innovative and creative approaches to new and existing housing programs considering both the social and physical aspects; the development and evaluation of policies and procedures, and the carrying out of detailed studies and analysis of all Corporation programs. The division co-ordinates, through Housing Associations and Housing Authorities, the scheduling and programming activities and administration of all housing projects and programs under the jurisdiction of the Corporation.

The function of this division is to carry out the administration and planning of all financial matters related to housing programs. This includes the recommendation of financial policies and procedures for the Corporation and their implementation; the implementation and maintenance of financial controls and reporting systems; the control of Corporation funds and securities; the co-ordination of financial forecasts, annual budget submissions, financial reports and the integration of data for an efficient management system.



A three bedroom log house under construction. This is one of five prototypes built at Fort Resolution using local labour and material.

PROGRAMS

RENTAL PURCHASE PROGRAM

This most comprehensive of all Northwest Territories Housing Corporation programs is made up of two segments, rental and purchase. It encompasses housing constructed under the Territorial rental housing program, public housing constructed under sections 40 and 43 of the National Housing Act, and the former federal Northern rental housing program.

The objective of the program is to provide adequate accommodation for families in the Northwest Territories at rentals based on income and to encourage and facilitate home ownership.

RENTAL

Territorial residents are provided rental units at rates based on income. The local housing authority or association is responsible for the assessment of rental rates and the allocation of housing units, based on the need of the applicant.

Public housing provides housing for low income families at rates they can afford. Available in larger locations in the Territories, occupancy is based on need and income with no restrictions of race, colour or creed. Rent is based on total family income in accordance with a graduated scale from a minimum of \$28 per month to a maximum of 25 percent of income. New public housing projects can be considered by the Northwest Territories Housing Corporation providing a proven need exists and a resolution is passed by the city, Town, Village, Hamlet or Settlement requesting new construction. On completion of the project, it is turned over to the local housing authority or association who is responsible for allocating the units, rental collections and operation and maintenance of the accommodation.

Housing Associations or Authorities who administer the accommodation are local tenant organizations who hire their own Secretary/Manager who acts as Secretary to the Housing Authority Board and as the Association Property Manager.

PURCHASE

To encourage home ownership, tenants in rental purchase housing may purchase their dwelling at cost of construction, providing their adjusted family income will meet the financial obligations of repaying the loan. One third of the rent is applied to a tenant's 'purchase reserve' account which will be applied as reduction against the unit cost. In addition, the tenant is allowed \$100 per year credit for providing adequate care to the unit during his occupancy. The Corporation will purchase the house back from the individual should he wish to sell at any time.

PROGRAMS

TERRITORIAL SECOND MORTGAGE PROGRAM

An amount of up to \$2,000 is available for distribution through Central Mortgage and Housing Corporation for those residents who receive National Housing Act first mortgage loans and require additional funds to offset the higher cost of labour and transportation in the Northwest Territories.

SINGLE PERSONS ACCOMMODATION

This program provides bachelor or single bedroom self-contained accommodation in an apartment block setting for single persons without dependents. Single persons projects are self-amortizing non-profit projects for which economic rent is charged. Occupancy is based on need and tenant application must be made to the local housing authority or association administering the project. Any community where a proven need exists may apply for a single persons project to be constructed.

Construction is the responsibility of the Northwest Territories Housing Corporation through agreements reached with municipal, hamlet, village or settlement councils.

SENIOR CITIZENS ACCOMMODATION

For Senior Citizens of the Territories who are capable of self-care self-contained bachelor bed sitting and one bedroom apartments are provided. Rent, based on income, is a minimum of 32 dollars. Single persons or married couples may apply to the local housing authority or association for accommodation.

Senior citizens accommodation is constructed when a proven need exists, through an agreement between a municipality, hamlet, settlement or village council and the Northwest Territories Housing Corporation.

LAND ASSEMBLY PROGRAM

The Northwest Territories Housing Corporation, in conjunction with Central Mortgage and Housing Corporation under section 40 and 42 of the National Housing Act provides financial assistance for the establishment and development of community land banks for future development, or for residential and associated purposes.

The program assists in providing an adequate supply of land and keeping the cost of serviced land to a minimum in the implementation of municipal, regional and Territorial growth policies.

Applications for the development of a project are submitted for review to the Northwest Territories Housing Corporation. The loan amount may not exceed 90 percent of the cost of acquisition, clearance, planning and servicing of the land.

COUNTRY HOME ASSISTANCE PROGRAM

For needy families living in areas of the Northwest Territories where government subsidized housing is not provided a once in a lifetime grant of up to \$5,000 is available.

The applicant must provide his own locally harvested materials such as logs for the basic housing shell and the house must be used as the principal residence. The grant is for purchase of manufactured housing components such as windows, plywood, cook stoves, nails, etc. The Corporation is willing to provide technical assistance in the form of advice concerning plans and working drawings and if requested, assistance in ordering housing components.

Individual families or co-operative associations or other non-profit incorporated societies whose aims and objectives pertain to housing in general may apply for assistance under this program.