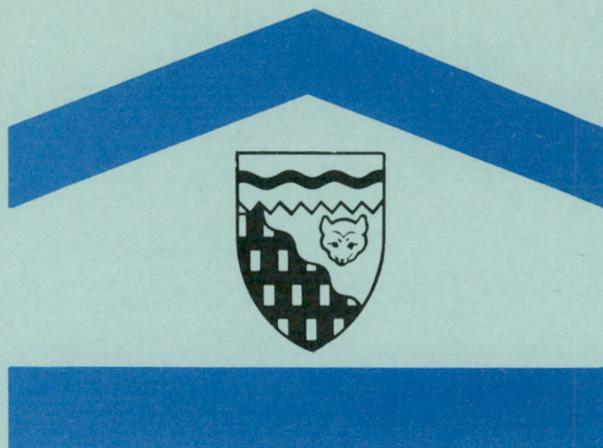


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Northwest Territories
Housing Corporation

ANNUAL REPORT 1975

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

Letter of Transmittal, Chairman of the Board.....	2
Board of Directors.....	3
Report by Managing Director.....	4
Legislation and Objectives.....	5
Activities	6
Financial report.....	9

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Northwest Territories Housing Corporation

Mr. Stuart Hodgson,
Commissioner of the
Northwest Territories

Dear Sir:

I have the honour to present the annual report and financial statement of the Northwest Territories Housing Corporation for the period 1 January, 1975 to 31 December, 1975.

Despite monetary restrictions, Corporation housing starts during the year were up 48 percent over 1974 and for the first time, all new units were constructed under National Housing Act standards.

The results achieved during our second year of operation are a tribute to untiring efforts of the Board of Directors and expertise of the management and staff of the Corporation.

In particular, I would express my gratitude to my predecessor, Mr. Sid Hancock who, as Chairman of the Board until October of last year, gave the leadership and dedication that contributed so much to the growth and efficiency of our Corporation.

Respectfully submitted.

Yours truly,

John H. Parker,
Chairman of the Board
of Directors.

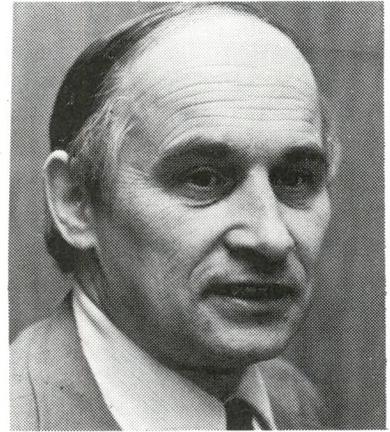
BOARD OF DIRECTORS 1975



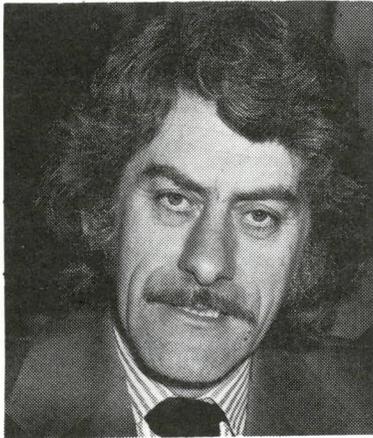
Cecilia Wetade
Vice-Chairman



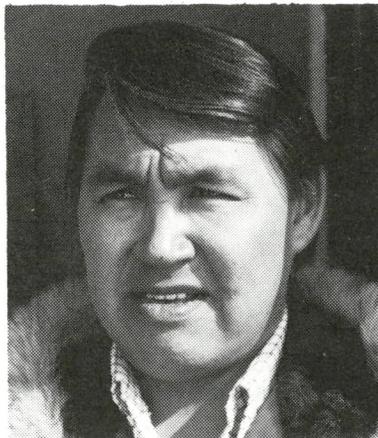
John Parker
Chairman



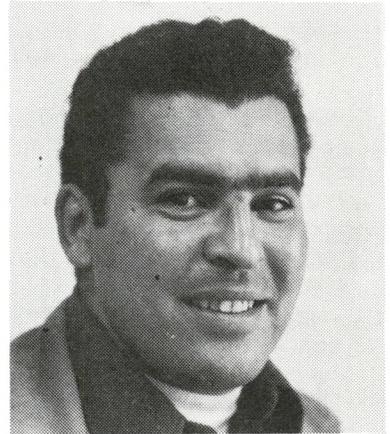
Sig Dietze



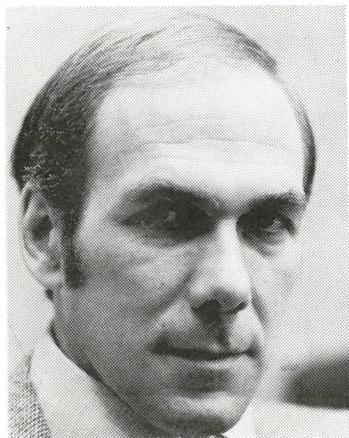
Bryan Pearson



Simeon Aklunark



Richard Whitford



Ewan Cotterill



Lena Pedersen



Gerry Lane
Secretary to the Board
[Deceased]

[Resigned in 1975]..... Sid Hancock
Roy McClure
Fred Carmichael

REPORT BY THE MANAGING DIRECTOR

During the past year, the Northwest Territories Housing Corporation made significant progress toward its major objectives; to make available an adequate standard of housing to all residents of the Northwest Territories and to develop incentive programs to encourage and facilitate home ownership.

The Corporation constructed 274 units of public housing and financed an additional 95 units during 1975 despite rising building costs and limited budgets. Of equal importance was the major upgrading of all units to meet National Housing Association standards, an objective that is being vigorously accelerated during 1976. Complementing the improved quality was a thrust toward larger houses; 217 of the 274 units were four-bedroom or larger.

A submission to the federal government for the funding of a five year program to alleviate poor housing conditions and assist home ownership was given mixed reaction in Ottawa. The request followed completion of a Corporation need and demand study outlining the critical need to provide 3000 housing units in the Northwest Territories.

Under the program, annual construction of 600 family units for the next five years would permit replacement of obsolete or condemned housing and take care of new family formations. Other programs included in the five year integrated program included land assembly, senior citizens, single persons, non-profit housing, home acquisition and home operations assistance.

Although federal officials stated that budget restrictions would curtail certain segments of the program, the Northwest Territories Housing Corporation is highly optimistic for the future of the home acquisition program that would offer incentives to purchasers of new homes and for the operations assistance to subsidize homeowners paying excessive costs for fuel and power. The integrated program will be re-submitted to the federal government in 1976.

There were a number of changes in the Board of Directors during the year. Chairman Sid Hancock and Managing Director Roy McClure both retired, Mr. Fred Carmichael resigned from office and Mr. Ewan Cotterill was appointed Asst. Deputy Minister of Indian Affairs and Northern Development. Named to the Board of Directors were John Parker, Chairman; Managing Director, Sig Dietze and Mr. Richard Whitford.

Of the 46 policy directives re-written or implemented during four meetings in 1975, the majority stressed the requirement of increased participation of Northerners in Corporation programs. As a result of this Board direction, all Corporation housing projects will give preference to Northern workers, and priorities for on-site construction will be given to local associations, co-ops or other individuals or companies willing to undertake the work at competitive cost. Although this policy has been in existence for some time, it is being even more stringently observed.

New methods of planning, designing and construction have improved the quality of Corporation housing. Long identified as a problem, limited budgets and urgent requests for quantity housing has previously prevented the Corporation from changing priorities.

Development of skilled local personnel for housing associations and the Corporation has been given added stimulus by the introduction of a long range vocational and professional training program. The program includes training on the job and a number of special courses provided through the co-operation of Territorial and Federal Government agencies.

This co-operation by senior government particularly in the areas of community development, information, local planning and education, has done much to add to the effectiveness of the Corporation.

In addition, a re-organization of the Corporation into four divisions, Programs, Development, Finance and Research has resulted in increased efficiency and a great utilization of resources.

Through the new policies and thrusts of the Corporation, and with the continued assistance of all concerned, the year 1976 will witness further improvements in housing programs.

S. Dietze
Managing Director



Northwest Territories Housing Corporation

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.



Fort Smith "Sesame Street"



Air freighting of housing components.

ACTIVITIES

A diversified and unique program produced 274 Corporation starts in 29 settlements during 1975.

Thirty units were stick built, utilizing where possible local tradesmen. From the Corporation's log lathe at Hay River came finished logs for 47 units of two to five bedroom family dwellings and 197 prefabricated units were, in the majority of cases, erected by local labour and craftsmen.

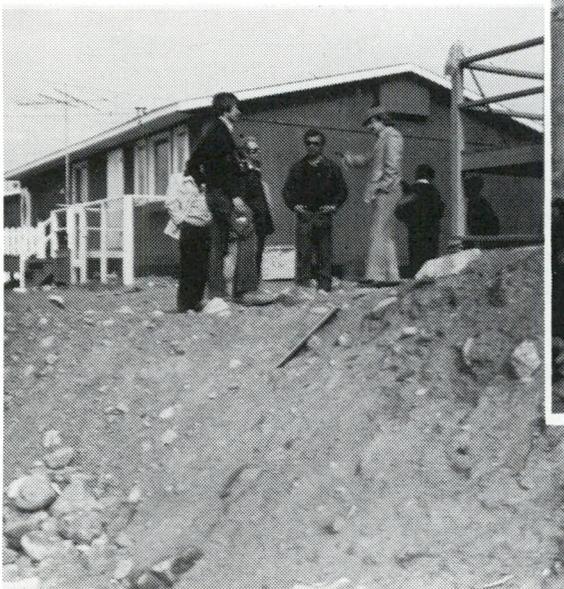
With a complement of 26 full-time employees, the Corporation utilized to the maximum its limited financial resources. Administration costs of the \$16 million capital expenditure were a diminutive 5.5 percent and prompt funding from the Territorial Government and Central Mortgage and Housing Corporation enabled the Corporation to maintain an adequate cash flow throughout the year without the need for interim borrowing.

Reflecting spiralling costs, fuel, power, administration and maintenance expenditures of 52 housing associations and authorities exceeded \$6 million; rent income from the 3022 housing units controlled by the Corporation was \$835,509. Loans by CMHC toward NWTHC programs and land assembly projects totalled \$10.58 million.

The 1975 construction program with its varied and complex problems of procuring, maintaining and transporting material, personnel and facilities not only taxed the expertise and ingenuity of the Development Division, but contributed to the increased cost of building. Sea, river, rail and road transport charges added \$1.25 million to the cost of 193 prefabricated homes purchased at a price of \$3.7 million. Erection contracts, mostly awarded to local organizations, brought the average completion cost of a three bedroom house to \$40,000 per unit.

The sealift was used to ship annual maintenance and construction supplies from the ports of Hay River, Churchill and Montreal to 29 settlements. Although adequate for movement of most maintenance supplies, the short shipping season and the required lead time restrict construction activity to a minimum in far Northern areas. A comparative study of sealift and airlift has now been completed and on an experimental basis, a limited number of houses will be flown to some settlements in 1976.

Side benefits to new housing in Baker Lake.



Federal and territorial housing representatives inspect housing in Frobisher Bay



Prefabrication activities in Hay River

The construction program concentrated on alleviating the urgent need for family housing. As a result, and because of the shortage of capital funds, other Corporation activities were curtailed. There were no additions to the existing 34 industrial apprentice units, 83 Senior Citizens units or the 58 single persons units. Mounting home operation costs were reflected by the reluctance of tenants of the Corporation's 2643 rental purchase units to exercise their option to purchase, and the depletion of mortgage money limited to four the number of approved \$12,000 first mortgages.

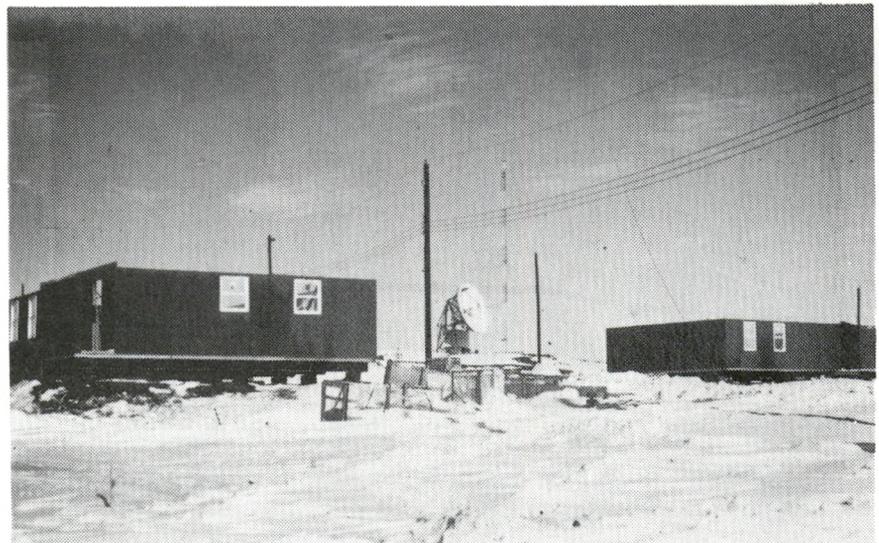
The 274 public housing construction starts initiated during the year raised the number of public housing units to 482 and the total of Territorial housing units under Corporation control to 3,296. Fourteen residents of six settlements received country home assistance grants of \$5,000 to construct homes from locally harvested materials in areas where government subsidized housing is not available. Special assistance was also given to a resident living north of the tree line at Igloolik for the purpose of building a stone house.

With the objective of inducting more native northerners into the Corporation, three training positions were activated, with the trainees working out of the district offices. Managers and staff of the five district offices attended three workshops at Yellowknife and conducted special courses on maintenance and administration for the staff of all active housing associations.

These courses and workshops are part of a Corporation policy of offering greater responsibility to field offices and housing associations and to further develop management and maintenance capabilities with a view to more de-centralization of Corporation activities.

A shortage of quality logs prevented the log lathe operation at Hay River from operating at capacity during the year but in the three full months of operation in 1975, the lathe turned out logs for 19 houses including 10 duplex units. Production has surpassed projection in the first quarter of 1976 due to an improvement in the supply of suitable timber.

With re-organization of the Corporation now completed, a number of new programs have been effected for the coming year. They include establishment of a Rural and Remote Housing Program, expansion of a training education and development program for all districts, and a maintenance and upgrading program for existing housing units.



Erection of typical prefabricated house package.

Report to the Council of the
Northwest Territories
on the examination of the accounts and
financial statements of
THE NORTHWEST TERRITORIES HOUSING CORPORATION
for the year ended December 31, 1975



Council of the Northwest Territories
Yellowknife, Northwest Territories

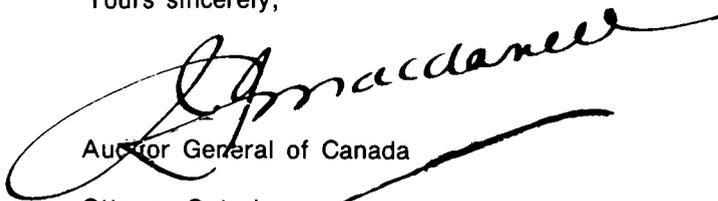
Dear Sirs:

I have examined the balance sheet of the Northwest Territories Housing Corporation as at December 31, 1975 and the statements of income and expense, equity and changes in financial position for the year 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, 1975 and the results of its operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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,



Auditor General of Canada

Ottawa, Ontario

May 3, 1976

**Northwest Territories
Housing Corporation
Balance Sheet
As at December 31, 1975**

Assets	1975	1974
Current Assets		
Cash and short term deposits	\$ 2,441,281	\$ 2,962,556
Accounts receivable	<u>633,697</u>	<u>130,428</u>
	3,074,978	3,092,984
Investments in Projects - Schedule I	<u>28,624,843</u>	<u>20,370,205</u>
Fixed Assets, at cost less accumulated depreciation	<u>137,809</u>	<u>83,278</u>
	<u><u>\$ 31,837,630</u></u>	<u><u>\$ 23,546,467</u></u>
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,314,368	\$ 938,806
Due to the Government of the Northwest Territories	42,167	1,110,058
Holdbacks payable	599,985	223,405
Current portion of long-term debt	<u>47,749</u>	<u>39,826</u>
	<u>\$ 2,004,269</u>	<u>\$ 2,312,095</u>
Long-term Debt (Note 3)		
Mortgages payable to Central Mortgage and Housing Corporation less principal of \$14,250 due within one year	4,349,319	1,256,940
Advances from Central Mortgage and Housing Corporation	5,120,980	2,653,063
Loans payable to Canada less principal of \$33,499 due within one year	<u>645,220</u>	<u>678,718</u>
	<u>\$ 10,115,519</u>	<u>\$ 4,588,721</u>
Equity of the Northwest Territories	<u>19,717,842</u>	<u>16,645,651</u>
	<u><u>\$ 31,837,630</u></u>	<u><u>\$ 23,546,467</u></u>

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

On behalf of the board


.....
Chairman


.....
Managing Director

**Northwest Territories
Housing Corporation
Statement of Income and Expense**

For the year ended December 31, 1975

	1975	1974
Expense:		
Program		
Operating grants-Housing Authorities	\$5,226,946	\$3,074,814
Special programs and subsidies	86,444	168,669
Interest on long-term debt	384,460	121,760
Depreciation	35,150	9,556
Mortgage forgiveness and administration	4,442	5,992
	<u>5,737,422</u>	<u>3,380,801</u>
Extraordinary maintenance and home ownership assistance	<u>173,073</u>	<u>244,860</u>
Residual costs on ancillary operations - Schedule 2	<u>82,483</u>	<u>8,684</u>
Administration		
Salaries and employee benefits	481,218	301,518
Travel	104,410	57,328
Professional and special services	47,323	74,266
Rentals-buildings and equipment	45,950	28,250
Materials and supplies	41,388	18,387
Communications	33,593	21,325
Recruitment and removal	28,389	55,139
Repairs and maintenance	22,700	239
Directors' fees and expenses	12,343	9,607
Depreciation	6,213	2,731
Interest	3,300	1,824
Other	3,992	699
	<u>830,819</u>	<u>571,313</u>
	<u>\$6,823,797</u>	<u>\$4,205,658</u>
Income:		
Expenditure recoveries	\$646,244	\$107,026
Interest	310,053	209,322
Rental revenue received from Housing Authorities under lease agreement	107,166	83,270
Gain on disposals	-	4,900
	<u>1,063,463</u>	<u>404,518</u>
Excess of expense over income	<u>5,760,334</u>	<u>3,801,140</u>
Excess of expense over income provided for by:		
Grants - Northwest Territories		
Operating	5,534,330	3,811,250
Capital used for extraordinary repairs, renovations and home ownership assistance	173,073	244,860
	<u>5,707,403</u>	<u>4,056,110</u>
Add: amount to be recovered from the N.W.T.	52,931	-
	<u>5,760,334</u>	<u>4,056,110</u>
Surplus for the year	<u>\$ -</u>	<u>\$254,970</u>

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

**Northwest Territories
Housing Corporation
Statement of Changes in Financial Position**

For the year ended December 31, 1975

	1975	1974
Source of funds:		
Operations		
Surplus for the year	\$ -	\$ 254,970
Items not requiring an outlay of funds	16,996	12,125
	<u>16,996</u>	<u>267,095</u>
Capital funds received from the N.W.T.	3,209,665	3,618,870
Proceeds of long-term borrowing	5,414,037	1,873,501
Excess of principal payments over mortgage loans granted	31,418	(121,747)
Disposal of capital assets	-	3,100
	<u>8,672,116</u>	<u>5,640,819</u>
Application of funds:		
Capital project expenditures	8,272,718	4,535,858
Acquisition of fixed assets	68,762	87,510
Principal reduction of long-term debt	40,816	138,162
Project liabilities transferred from the N.W.T.	-	98,400
	<u>8,382,296</u>	<u>4,859,930</u>
Increase in working capital	289,820	780,889
Working capital at beginning of year	780,889	-
	<u>1,070,709</u>	<u>780,889</u>
Working capital at end of year	<u>\$ 1,070,709</u>	<u>\$ 780,889</u>

**Northwest Territories
Housing Corporation
Statement of Equity**

For the year ended December 31, 1975

	1975	1974
Equity at beginning of year	\$ 16,645,651	\$ -
Surplus for the year		254,970
Grants for capital projects	3,209,665	3,618,870
Transfer of assets and liabilities from the N.W.T.		12,771,811
	19,855,316	16,645,651
Adjustment of cost of assets transferred	137,474	-
Equity at end of year	\$ 19,717,842	\$ 16,645,651

Schedule 1

Northwest Territories
Housing Corporation
Investment in Projects
December 31, 1975

	Housing Loans	Northern Rental Houses	Public Housing	Senior Citizens Housing	Total 1975	Total 1974
Mortgages	\$ 649,882	\$	\$	\$	\$ 649,882	683,300
Buildings, at cost; less accumulated depreciation		12,643,785	5,086,887		17,730,672	16,143,880
Advances to Fed. Terr. Municipal Housing Projects at cost, less accu- mulated amorti- zation			633,168	444,861	1,078,029	1,211,945
Constr. in progress at cost		710,564	8,290,696		9,001,260	2,331,080
Deposit on lease- purchase agree- ment (Note 2)			165,000		165,000	
Total 1975	\$ 649,882	\$ 13,354,349	\$ 14,175,751	\$444,861	\$28,624,843	\$20,370,205
Total 1974	\$ 683,300	\$ 13,092,161	\$ 6,140,129	\$454,615		\$20,370,205

**Northwest Territories
Housing Corporation
Ancillary Operations
for the year ended December 31, 1975**

	1975	1974
Expenditure of log machine operations		
Labour and employee benefits	\$45,448	\$ 6,768
Materials	44,024	10,730
Equipment rental	22,119	-
Relocation	9,252	-
Depreciation	8,018	1,500
Sales tax and royalties	5,377	1,144
Utilities	4,690	1,236
Travel	2,536	3,964
Freight	795	896
Consulting	560	1,335
Supervision	-	3,986
	<u>142,819</u>	<u>31,559</u>
Costs transferred to construction projects	55,663	22,875
Sales to others	4,673	-
	<u>60,336</u>	<u>22,875</u>
Costs transferred to statement of income and expense	<u><u>\$ 82,483</u></u>	<u><u>\$ 8,684</u></u>

Northwest Territories Housing Corporation Notes to Financial Statement

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 on those completed projects constructed under terms of the National Housing Act. Provision for depreciation reflected in the financial statements has been computed by an accelerated depreciation method related to principal repayment of applicable long-term loans.

Depreciation on northern rental houses has not been provided for in the accounts of the Corporation during the current year.

2. Lease-option Deposit

The Corporation has agreed to lease for 15 years two apartment blocks in Yellowknife from Carlson Syndicate upon completion of construction. The Corporation has an option to purchase the buildings upon expiration of the lease. To this end the Corporation has deposited \$165,000 in 1975. A further \$162,872 was paid early in 1976. The total payment of \$327,862 will represent:

Purchase option	\$ 87,000
Notes receivable	<u>240,862</u>
	<u>\$327,862</u>

The Corporation will lease the building at a rate of \$258,869 per year. Upon expiration of the lease the corporation has the option to purchase the building at a cost of \$327,862 plus balances due on the first mortgage at that time.

3. Long-term Debt

Mortgages are payable to Central Mortgage and Housing Corporation over a period of 30 to 50 years at interest rates between 7¾% and 8%. Advances from Central Mortgage and Housing Corporation represent interim financing for construction of Housing Projects and will be recorded as mortgages payable upon completion of the applicable 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%.

Principal repayment on outstanding loans exclusive of advances over the next 5 years amount to: \$47,749 in 1976, \$52,181 in 1977, \$55,889 in 1978, \$59,718 in 1979 and \$63,865 in 1980.

4. Directors' Remuneration

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

5. Restatement of Comparative Figures

During 1975, changes were made to improve the classification of certain items and for comparative purposes the related figures for 1974 have been restated.

HEAD OFFICE

2nd Floor, Northern United Place
P.O. Box 2100, Yellowknife, N.W.T.
Telex 034-4-5587 Phone (403)873-3405

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) 979-5266

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