

Northwest Territories Housing Corporation Annual Report 2015-2016



*Northwest Territories
Housing Corporation
Annual Report 2015-2016*

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MESSAGE FROM THE MINISTER

As Minister Responsible for the Northwest Territories Housing Corporation (NWTHC), it is my pleasure to present the NWTHC 2015-2016 Annual Report.

As we near the end of our current strategic framework established in 2012, we take stock of all that's been achieved and begin to look ahead to what work still needs to be accomplished.

Our approach to housing has been to encourage and strengthen self-reliance and support residents in meeting their own shelter needs. We recognize the importance of housing in supporting community sustainability, contributing to efforts to reduce poverty, and reflect on the linkages between housing, education and health concerns that affect the most vulnerable among Northwest Territories (NWT) residents.



The local housing organizations (LHOs), the NWTHC's front line agents on the ground, are located in most communities throughout the NWT. To make housing services and programs more accessible, we have expanded the LHO offices into the communities of Gameti and Whati. In addition, the services of Government Service Officers are utilized in communities where there are no LHOs.

Our elders are the foundation of our communities' cultures, traditions and history, and are among the fastest growing populations in the NWT. In recognition of this the NWTHC is increasing accessibility of not only our housing stock, building seniors centres such as the Joe Greenland Centre, but also repair programs for homeowners wanting to build accessible modifications to their homes.

As one of the priorities of the 18th Legislative Assembly is to lower the cost of living and create solutions to address homelessness, the NWTHC will continue to look towards creative solutions towards resolving homelessness in the NWT. We recognize that the best approach is a holistic one, where communities and stakeholders work together and, we will continue to foster these relationships that includes hearing the voices of the most vulnerable in our communities, the homeless.

In the face of challenges such as the declining federal funding and economic downturn, the NWTHC will continue to strive to be responsive to the housing needs of our people.

The Honourable Caroline Cochrane
Minister Responsible for the Northwest Territories Housing Corporation

MESSAGE FROM THE PRESIDENT AND CEO

The Northwest Territories Housing Corporation (NWTHC) continues to strive towards providing access to safe and affordable housing for residents across the Northwest Territories (NWT). Our actions are guided by the priorities of the 18th Legislative Assembly, and our strategic framework, Building for the Future.

The Public Housing Program continues to be the NWTHC's largest portfolio with a housing stock that exceeds 2,400 housing units, and expenses representing 55% of the annual operating expenditures. Significant investments totaling a near \$37 million were made to the program during the fiscal year.

Lack of rental housing for critical community workers such as nurses and teachers was identified as a barrier to service delivery as options for rental housing in non-market communities may often be limited. To help address this barrier, the NWTHC constructed 41 affordable housing units across the NWT this year. These new units contribute to ongoing community sustainability and governance.

The NWTHC strives to meet the changes in housing demand as demographics of our population continue to change. With the number of seniors across the NWT forecasted to increase by 26% over the next five years, the NWTHC is constructing seniors' complexes such as the Joe Greenland Centre in Aklavik. In addition, the NWTHC has implemented changes to the homeownership repair programs to support elders aging in place within their communities.

To address the sustainability of Public Housing, the NWTHC has worked with the Housing Corporations of the Yukon and Nunavut to develop a plan for renewed federal engagement which includes a Tri-Territorial Business Case. This work will help drive discussions that may lead to consistent long-term federal support for northern housing.

This year brought about the end of the 17th Legislative Assembly and ushered in a new government. New leadership continued to view safe and affordable housing as a key focus. Specifically, the 18th Legislative Assembly included housing actions under the key priorities of cost of living and community wellness and safety.

In closing, I would like to thank the dedication of the NWTHC staff, community agencies and the participation of residents without whom the work that we are committed to doing would not be possible. Moving forward as the NWT faces increasing economic uncertainty and declines in the federal provision for social housing, the NWTHC will continue to work tirelessly for the residents of the NWT in our goal of providing safe and affordable housing.



Mr. Jeff Anderson
President and CEO
Northwest Territories Housing Corporation

CORPORATE PROFILE

Mission Statement

The Northwest Territories Housing Corporation (NWTHC) works in partnership with residents, where appropriate and necessary, to ensure access to affordable, adequate and suitable housing.

Goals:

- Ensure a sufficient supply of adequate, suitable and affordable housing to address the housing needs of NWT residents.
- Promote personal responsibility and accountability for housing.
- Provide homeownership and rental programs and services that are effective and appropriate.
- Help address homelessness through supporting the infrastructure needs of emergency shelters and transitional housing.
- Acquire housing in an effective and efficient manner for program delivery through appropriate designs, land planning and acquisition, and appropriate construction standards.
- Enhance the long term sustainability of NWTHC housing assets through on-going maintenance and repairs and implementing energy efficiency technologies.

CORPORATE STRUCTURE

Corporate Summary

The NWTHC provides social and market housing programs and services including subsidized rental and homeownership programs (including purchase and repairs), and unsubsidized rental housing in rural and remote communities. Policy and program development play a key role in creating appropriate programs to address the core housing need of NWT residents and promote self-reliance. The NWTHC incorporates energy-efficient technologies in its housing design and in the retrofitting of housing to improve its sustainability and energy efficiency. The NWTHC also works in partnership with the Canada Mortgage and Housing Corporation to cost-share the development and improvement of housing infrastructure across the NWT. At the community level, the NWTHC partners with Local Housing Organizations, and municipal and Aboriginal governments, to manage and administer community housing services in 33 communities.

Branches

The Executive, comprised of the President's Office and the Strategic Planning, Policy and Communications Division manages the implementation of the Government's direction related to housing.

The President's Office—The President's Office is responsible for supporting the Minister Responsible for the NWTHC, providing overall strategic and operational direction, leading the senior management team and managing the human and financial resources of the NWTHC.

CORPORATE STRUCTURE

Strategic Planning, Policy and Communications - The Strategic Planning, Policy and Communications Section provides support with regard to long-term strategic direction and planning for the NWT HC. This Section is also responsible for strategic and business planning, policy development, qualitative and quantitative research, corporate communications and homelessness initiatives. This section represents the NWT HC on a Federal/Provincial/Territorial level, on interdepartmental working groups, and on other committees.

Finance and Infrastructure Services - The Finance and Infrastructure Services Branch is comprised of the Finance and Administration Division, Infrastructure Services Division, Financial Planning Section and Information Services Section. Through these units, the Branch manages and administers the NWT HC's financial services, capital planning, land acquisition and planning, information services, asset management and capital infrastructure delivery.

Finance and Administration Division - The Finance and Administration Division is responsible for the overall financial management and administrative functions of the Corporation including financial support and advice to senior management and other stakeholders including the Local Housing Organizations (LHOs). The Division provides accounting services such as reporting and monitoring on the financial position of the Corporation and the completion of the year-end consolidated financial statements. It is also responsible for the treasury function and for the mortgage and debt administration of the Corporation.

The Division also provides asset management services to ensure that over 2,700 housing assets are safeguarded through effective inventory management, life cycle costing, and the collection of asset level utility and maintenance costing. It supports the administration of all leases for supplemental housing units and Corporate and LHO office and warehouse space requirements. The Division also oversees the administration of the Social Housing and Affordable Housing funding agreements with our federal partner, the Canada Mortgage and Housing Corporation (CMHC) and various other third party agreements where the Corporation provides subsidy assistance and operation support to non-profit housing organizations.

Debt Repayment is the responsibility of this Branch, which refers to the payment of long-term debt to CMHC for the provision of rental housing. The annual principal and interest payments are cost-shared with CMHC as they contribute a significant portion of the funds to service the debt.

Financial Planning - The Financial Planning Section is responsible for the coordination of the development of plans for capital infrastructure and minor capital projects, corporate budget development, project and budget change management and variance analysis.

Information Services - The Information Services Section provides strategic advice and guidance on the use of information and communications technology and broad information management services to support the delivery of programs and services of the Corporation and its community partners. The Section is responsible for developing Corporation specific information systems as well as system training, which are critical to the delivery of housing programs and services.

CORPORATE STRUCTURE

Infrastructure Services Division - The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for the planning, procurement, and administration of suitable land for the delivery of housing programs and services, and the security of NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC's rental housing portfolio in order to ensure its long term sustainability. The Division provides technical assistance in the development of new housing programs and supports the District Offices in their delivery of the Contributing Assistance for Repairs and Enhancements (CARE) program in collaboration with private homeowners to determine their repair needs and develop scopes of work. Finally, Infrastructure Services is the NWTHC's lead on issues related to energy efficiency and new housing technologies.

Programs and District Operations - The Programs and District Operations Branch provides corporate support and oversight to the NWTHC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, and delivery of programs and initiatives that support the NWTHC's response to housing needs in the NWT, and to ensure a continuity of approach to program delivery and implementation.

The Programs Development and Implementation Section - The Program Development and Implementation Section works closely with District Offices and Local Housing Organizations (LHOs) to ensure compliance with existing program policies and procedures. This Section also develops and updates ongoing operational policies and procedures to ensure housing programs remain updated and responsive, and to ensure that District Offices and LHOs have the support, training and capacity required to effectively and efficiently deliver the NWTHC's programs and services.

The District Operations - District Offices are responsible for the administration of district capital and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, training, and work closely with stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options for programming to assist individuals and families in decision making regarding their housing needs. This assistance includes the delivery of the Corporation's Providing Assistance for Territorial Homeownership (PATH), Contributing Assistance for Repairs and Enhancements (CARE), Contributing Assistance for Repairs and Enhancements Preventive Maintenance (CARE PM), Contributing Assistance for Repairs and Enhancements Mobility for Seniors (CARE Mobility) and Securing Assistance for Emergencies (SAFE) homeownership programs.

North Slave District Office:

This District Office supports the communities of: Behchoko, Dettah/N'dilo, Gameti, Lutsel K'e, Wekweeti, Whati and Yellowknife.

South Slave District Office:

This District Office supports the communities of: Enterprise, Hay River, Hay River Reserve, Kakisa, Fort Providence, Fort Resolution and Fort Smith.

CORPORATE STRUCTURE

Nahendeh District Office:

This District Office supports the communities of: Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Trout Lake and Wrigley.

Sahtu District Office:

This District Office supports the communities of: Colville Lake, Deline, Fort Good Hope, Norman Wells and Tulita.

Beaufort-Delta District Office:

This District Office supports the communities of: Aklavik, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk and Ulukhaktok.

Local Housing Organizations (LHOs) – The NWTHC, in partnership with 24 LHOs, and community organizations, administers approximately 2,400 social housing units in 31 communities across the NWT. The LHOs, under agreement with the NWTHC, provide property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. LHOs have an advisory board that oversees its operations. The NWTHC’s district offices are responsible for these operations in communities where an LHO has not been established.

LHOs, operating as agents of the NWTHC, are responsible for the administration of Public and Affordable housing rental units in the majority of communities across the NWT. Public housing units were developed under the Social Housing Agreement between the NWTHC and the Canada Mortgage and Housing Corporation. The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. Affordable housing includes both our leased subsidized Homeownership Entry Level Program units, and our unsubsidized Market Housing units for that are used to house critical staff in NWT communities.

The following is a list of all LHOs:

Aklavik Housing Association	Lutsel K’e Housing Authority
Behchokö Ko Gha K’òodèè	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Providence Housing Association	Sachs Harbour Housing Association
Fort Resolution Housing Authority	Tsiigehtchic Housing Association
Fort Simpson Housing Authority	Tuktoyaktuk Housing Association
Fort Smith Housing Authority	Tulita Housing Association
Gameti Housing Authority	Ulukhaktok Housing Association
Hamlet of Fort Liard	Whati Housing Authority
Hay River Housing Authority	Yellowknives Dene Band Housing Division
Inuvik Housing Authority	Yellowknife Housing Authority

NWTHC PROGRAMS

The NWTHC's programs are essential pieces in supporting the GNWT's efforts to improve the quality of life for its residents. Our programs and services facilitate access to housing that NWT residents can afford, that meets suitability standards, and is adequate to meet residents' needs. In addition, our programs and services should provide easy access for clients and promote greater personal responsibility for housing through community-based training and support.

Public Housing

The Public Housing Program provides income-based subsidies for the rental of housing for residents in need. The NWTHC provides financial, administrative, maintenance, construction and repair support to its community partners who deliver the program on behalf of the NWTHC. The NWTHC utilizes management/services agreements with LHOs or community services organizations to manage its affordable housing portfolio. Currently, the NWTHC operates approximately 2,400 public housing units, which are managed by LHOs and community organizations, located in 31 communities throughout the NWT.

Affordable Housing

The NWTHC provides affordable housing throughout the NWT through the delivery of the Homeownership Entry Level Program (HELP) and the Market Housing Program. In 2015-2016, the NWTHC had 225 units in the HELP program and 152 units in the Market Housing Program.

The HELP Program assists prospective first-time homebuyers who are not able to secure mortgage financing or are unsure of their responsibilities as homeowners, by providing the opportunity to lease subsidized units from the NWTHC at affordable standardized rents based on geographic zones. Tenants are responsible for the payment of utilities. The program also offers homeownership educational opportunities through STEP courses.

A unit is leased to eligible applicants (tenant) who pay a subsidized rent depending on the Community they reside in. After completing a six-month lease period, the tenant is eligible to receive an "equity contribution" of up to \$20,000, to purchase a unit, provided that the tenant: is not in default of the HELP Agreement or the Residential Tenancy Agreement, has no outstanding rental arrears or tenant related damages and has completed the required courses of the STEP Program.

A lack of market housing options in small communities has been a key challenge in delivering GNWT programs and services, especially in the case of front-line workers like teachers and nurses. In order to support non-market communities, the NWTHC operates 152 units under the Market Housing Program. Under the program, the NWTHC provides rental housing units at market rental rates intended to increase the availability of housing in smaller communities for community workers.

NWTHC PROGRAMS

Transitional Rent Supplement Program

On September 1, 2012, the NWTHC launched a new rent assistance program call the Transitional Rent Supplement Program (TRSP). The TRSP is designed to provide short-term support to Northwest Territories residents who pay more than 30% of their household income towards rent in private market rentals. This program fills an important gap in assisting working families challenged by affordability issues.

Homeownership

The NWTHC provides an opportunity for NWT residents to access government support through programming for the purchase of a modest private home, repair their homes to ensure a safe and healthy residence and to increase the useful economic life of their home, or access a rental program that allows them to experience the commitments required to be a successful homeowner.

The simplified structure of the homeownership programs offers flexible delivery options to NWT residents and also meets the needs of seniors, and those with accessibility challenges. These programs use education and counselling to help residents in becoming successful homeowners.

Last year, program application intake changed to a year-round intake to better provide timely supports to residents in need. These one-on-one discussions between residents and staff of the NWTHC is necessary in order to explore program requirements, help individuals in identifying their housing needs and to determine the program that will best fit an individual's or a household's needs.

The following housing programs help us to achieve our goals to improve housing in the NWT.

- Solutions To Educate People (STEP)
- Providing Assistance for Territorial Homeownership (PATH)
- Contributing Assistance for Repairs & Enhancements (CARE)
- Contributing Assistance for Repairs & Enhancements - Mobility (CARE Mobility)
- Contributing Assistance for Repairs & Enhancements - Preventative Maintenance (CARE PM)
- Securing Assistance For Emergencies (SAFE)

STEP

STEP provides education and counseling assistance consisting of four courses designed to prepare participants for the responsibilities of homeownership. STEP aims to increase homeownership applicants' financial skills, as well as, their knowledge of the home purchase process, basic home maintenance and repairs.

STEP courses are not only offered to NWTHC applicants and clients, but also to NWT residents at large. Although priority is given to applicants/clients, space permitting, residents are encouraged to sign up for the courses through their District Offices.

NWTHC PROGRAMS

PATH

PATH allows clients the opportunity to become homeowners by assisting in the construction or purchase of a modest home. Clients obtain additional funding from an approved financial institution or other verifiable sources. Assistance levels are determined by a zone approach that provides a level of subsidy to roughly equalize shelter costs for dwellings of a similar age and quality within non-market communities, and range between 5% and 55% of the purchase price or the Maximum Construction Cost (MCC), whichever is less. Applicants with moderate income, but income over the Core -Need Income Threshold (CNIT), will be eligible for 50% of the subsidy. Assistance is provided through a forgivable loan. The forgiveness period of the loan is dependent on the amount of assistance provided.

CARE

CARE assists existing homeowners in making necessary repairs to their home to ensure a safe and healthy residence and to increase the remaining economic life of their home. Assistance of up to \$100,000 is provided in the form of a forgivable loan to subsidize the cost of preventative maintenance checks, repairs and renovations for their existing home. The forgiveness period is dependent on the amount of assistance being provided. Co-pay may be required depending on household income.

CARE Mobility

CARE Mobility assists low-income homeowners with disabilities by providing up to \$100,000 to carry out modifications to their home to improve accessibility and support independent living. Again, co-pay may be required depending on household income.

- Modifications may include:
- The construction of wheelchair access ramps;
- The installation of grab bars in bathrooms; and
- Creating better access to bathtubs, showers, and the kitchen.
- Modifications must be directly related to the disability of the homeowner or a family member residing in the unit.

CARE PM

CARE PM provides assistance for preventative maintenance and minor repairs. Clients can apply for up to \$3,000 annually and can apply for this support on a year-round basis.

SAFE

SAFE is an emergency repair program. Clients are eligible for up to \$10,000 for emergency repairs to their private home to ensure health and safety standards are met, and are able to make applications for SAFE funding at any time. SAFE is designed to assist eligible homeowners with emergency repairs to their private home based on a partnership model (co-payment) between the NWTHC and the homeowner.

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Major and Minor Capital Spending

Overall, the NWTHC provided housing programs at a value of \$51,386,000 in fiscal year 2015-2016.

The following chart reports the programs and financial assistance under major and minor capital provided to NWT residents by the NWTHC during fiscal year 2015-2016. The data is presented as a breakdown by regional basis and territorial wide then follows with the amount of approved applications for homeownership programs offered through the NWTHC.

Beaufort-Delta District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$5,686,000
Major M&I	\$3,670,000
Minor M&I	\$3,470,000
<i>Affordable Housing New</i>	\$3,299,000
<i>Homeownership Repair</i>	\$914,000
<i>Other Capital</i>	\$299,000
Total	\$17,338,000

Sahtu District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$2,570,000
Major M&I	\$3,051,000
Minor M&I	\$948,000
<i>Affordable Housing New</i>	\$4,919,000
<i>Homeownership Repair</i>	\$455,000
<i>Other Capital</i>	\$40,000
Total	\$11,983,000

Nahendeh District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$1,334,000
Major M&I	\$756,000
Minor M&I	\$292,000
<i>Affordable Housing New</i>	\$703,000
<i>Homeownership Repair</i>	\$163,000
<i>Other Capital</i>	\$75,000
Total	\$3,323,000

South Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$790,000
Major M&I	\$2,212,000
Minor M&I	\$2,159,000
<i>Affordable Housing New</i>	\$549,000
<i>Homeownership Repair</i>	\$566,000
<i>Other Capital</i>	\$151,000
Total	\$6,427,000

North Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$6,110,000
Major M&I	\$1,716,000
Minor M&I	\$2,030,000
<i>Affordable Housing New</i>	\$1,522,000
<i>Homeownership Repair</i>	\$695,000
<i>Other Capital</i>	\$242,000
Total	\$12,315,000

Northwest Territories

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$16,490,000
Major M&I	\$11,405,000
Minor M&I	\$8,899,000
<i>Affordable Housing New</i>	\$10,992,000
<i>Homeownership Repair</i>	\$2,793,000
<i>Other Capital*</i>	\$807,000
Total	\$51,386,000

* Other Capital includes Warehouses, TRSP & Homelessness, Computers, and Vehicles including purchases allocated to Headquarters.

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Homeownership Programs

Approved programs offered through the NWTHC in 2015-2016.

Beaufort Delta District

Program	Number of Programs
CARE PM	74
CARE Major	6
CARE Mobility	1
PATH	4
HELP	5
SAFE	18
Totals:	108

Sahtu District

Program	Number of Programs
CARE PM	8
CARE Major	0
CARE Mobility	0
PATH	1
HELP	7
SAFE	1
Totals:	17

Nahendeh District

Program	Number of Programs
CARE PM	18
CARE Major	1
CARE Mobility	0
PATH	0
HELP	0
SAFE	16
Totals:	35

South Slave District

Program	Number of Programs
CARE PM	41
CARE Major	9
CARE Mobility	0
PATH	5
HELP	4
SAFE	30
Totals:	89

North Slave District

Program	Number of Programs
CARE PM	95
CARE Major	8
CARE Mobility	0
PATH	3
HELP	0
SAFE	20
Totals:	126

Northwest Territories

Program	Number of Programs
CARE PM	236
CARE Major	24
CARE Mobility)	1
PATH	13
HELP	16
SAFE	85
Totals:	375

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Public Housing and Affordable Housing Programs

Expenditures for public housing and affordable housing programs in 2015–2016 totaled \$52.1 million. The NWTHC provides financial, administrative, maintenance, construction and repair support to community partners so they can deliver these programs on behalf of the NWTHC. The operating agreements between the community partners and the NWTHC cover the areas of financial administration, tenant relations and operations and maintenance of social housing units in the NWT.

Beaufort Delta District

Rental Housing	Results
Number of Units	862
Expenditures	\$21,287,000
Tenant Assessed Rent	\$2,293,376
Collection Rate	111%

Sahtu District

Rental Housing	Results
Number of Units	235
Expenditures	\$6,653,000
Tenant Assessed Rent	\$661,355
Collection Rate	100%

Nahendeh District

Rental Housing	Results
Number of Units	139
Expenditures	\$2,844,000
Tenant Assessed Rent	\$440,437
Collection Rate	89%

South Slave District

Rental Housing	Results
Number of Units	502
Expenditures	\$8,221,000
Tenant Assessed Rent	\$1,062,386
Collection Rate	109%

North Slave District

Rental Housing	Results
Number of Units	710
Expenditures	\$13,153,000
Tenant Assessed Rent	\$1,910,366
Collection Rate	116%

Northwest Territories

Rental Housing	Results
Number of Units	2,448
Expenditures ¹	\$52,158,000
Tenant Assessed Rent	\$6,367,920
Collection Rate ²	110%

¹ See Note 13 in Notes to Consolidated Financial Statements. Repairs, Maintenance and Improvement portion of maintenance and other costs and interest on long term debt are not included in above data.

² The Collection Rate is calculated using actual collections divided by the Tenant Assessed Rent. Collections includes payments on rental arrears, which may result in collections rates over 100%.

PUBLIC HOUSING UNIT CONDITION RATINGS

Each year, the NWTHC and LHOs conduct unit condition ratings on NWTHC owned public housing units.

Unit condition ratings provide the NWTHC with valuable information as to the state of its assets. The ratings are one source of information that helps support the NWTHC on how best to utilize its scarce financial resources to improve the quality of housing across the NWT.

The unit condition ratings influence the capital planning process. The yearly capital planning process directs future modernization and improvements (M&I) projects based on the condition of our existing public housing stock. M&Is are done in order to maintain the quality of housing for our tenants.

Condition ratings are also done to determine when older units need to be replaced or scheduled for demolition. In addition, the data collected through the unit condition ratings allow a planned approach to mitigate the financial pressures in the longer term while maintaining our assets in good condition. A systematic walk-through inspection is conducted to complete the condition rating of a unit. A standardized condition rating form is used that lists the components that make up the unit. The condition of each component is documented to assist in prioritizing repairs and estimating their cost.

The NWTHC has also implemented a training, monitoring and reporting process so this annual inspection can be utilized as an opportunity for both quality control in ensuring that all LHOs across the NWT are completing the inspections consistently as per NWTHC guidelines and a training opportunity where required.

Units with low condition ratings undergo a more detailed evaluation. This additional evaluation determines the cost benefit of investing further dollars to modernize and improve the unit to extend its useful life or to dispose of the unit and replace it.

The NWTHC plans for a 50-year life of new units with two major renovation/repair milestones; the first at 20 years and the second at 35 years. As well, regular maintenance is performed on its public housing assets.

The table provides a snapshot of the condition of the public housing stock for the fiscal year 2015-2016. Unit condition ratings are finalized in the month of October of each year.

PUBLIC HOUSING UNIT CONDITION RATINGS

NWTHC owned Public Housing Unit Condition Ratings for 2015-2016				
Community	Unit Condition Ratings			TOTAL UCRs Completed
	Under 60%	60% to 69%	70% and better	
BEAUFORT DELTA				
Aklavik	1	2	140	143
Fort McPherson	3	20	118	141
Inuvik	21	22	177	220
Paulatuk	-	6	61	67
Sachs Harbour	-	1	23	24
Tsiigehtchic	1	-	24	25
Tuktoyaktuk	1	-	171	172
Ulukhaktok	-	-	97	97
TOTAL BEAUFORT DELTA	27	51	811	889
NAHENDEH				
Fort Liard	1	-	42	43
Fort Simpson	6	-	101	107
Jean Marie River	1	-	4	5
Nahanni Butte	1	1	2	4
Trout Lake	1	-	5	6
Wrigley	6	-	11	17
TOTAL NAHENDEH	16	1	165	182
NORTH SLAVE				
Behchoko	59	55	104	218
Dettah	2	16	25	43
Gameti	1	4	23	28
Lutsel K'e	2	8	55	65
N'Dilo	3	12	15	30
Wekweeti	-	-	9	9
Whati	3	4	34	41
Yellowknife	20	9	159	188
TOTAL NORTH SLAVE	90	108	424	622
SAHTU				
Colville Lake	-	-	7	7
Deline	27	16	58	101
Fort Good Hope	6	1	52	59
Norman Wells	4	3	49	56
Tulita	16	24	44	84
TOTAL SAHTU	53	44	210	307
SOUTH SLAVE				
Fort Providence	10	6	108	124
Fort Resolution	1	5	83	89
Fort Smith	-	1	156	157
Hay River	4	17	153	174
Kakisa	2	-	2	4
K'atlodeeche First Nation	-	1	6	7
TOTAL SOUTH SLAVE	17	30	508	555
TOTAL ALL DISTRICTS	203	234	2,118	2,555

*Note: Approved surplus and pending surplus units have been removed from this summary. UCRs are not completed on units leased from private landlords.

RETROSPECTIVE ON THE BUILDING FOR THE FUTURE STRATEGIC PLAN

In 2012, the NWT HC developed a strategic plan for housing, *Building for the Future*, which was built off of the Shelter Policy Review completed in previous year. The strategic plan outlines eight strategic priorities related to housing, which are:

- Strengthening Public Housing
- Improving homeownership supports
- Increasing housing options in non-market communities
- Improving housing services
- Strengthening the approach to homelessness and transitional housing
- Addressing housing challenges for the working poor
- Developing infrastructure solutions based on individual and community needs and
- Addressing the declining federal funding

Since being released the NWT HC has made tremendous strides in implementing actions to meet these priorities. In strengthening public housing a new rent scale was developed and implemented, designed to address the disincentive to work and not create barriers for people improving their well-being. Improvements have been made on the accessibility of homeownership programming and a new emergency repair program has been created for when homeowners are facing unexpected disasters.

To reach out to families that are struggling to pay their bills and spend more than 30% of their gross income on their shelter costs the Transitional Rent Supplement program has been implemented.

Critical community service workers such as teachers and nurses have had challenging times in finding adequate housing, especially in the smaller remote communities. To meet this demand the NWT HC has begun expanding its market housing program by constructing 88 units over 3 years.

Expanding our local housing services into communities improves access to housing programs and services. The NWT HC is coordinating with, and supporting a range of public and private agencies to address gaps in the housing continuum; including addressing emergency shelter needs and housing supports for seniors.

The NWT HC will continue to be responsive to the housing needs of the residents of the NWT. Further work will be undertaken to incorporate alternative energy technology and retrofit upgrades into the design of social housing units that promotes energy efficiency, extends and modernizes the units and reduces our carbon footprint.

Part of strengthening the provision of housing on the local front also means bringing it forward nationally. The NWT HC is working with our provincial and territorial counterparts to raise the prominence of northern housing issues at the federal level and make it a significant part of the national discussion. Further to those efforts, the NWT HC worked with Yukon and Nunavut to develop a Tri-Territorial Business Case as a blueprint for informed federal engagement.

The priorities that are being brought forward are key to ensuring housing in the North is suitable, adequate and available for future generations of Northerners and are key to building on the Cost-of-Living priority of the 18th Legislative Assembly.

SENIORS PROGRAMMING

As the population of seniors in the NWT increases, so does the demand for housing options and services that facilitate a senior's ability to live independently in their own homes and their own communities as they age. While this may not seem pressing, the population of seniors in the NWT is forecasted to nearly double by 2031.

To meet the needs of our aging population, the NWT HC is taking a number of steps to help our seniors' age in place. With the appropriate support, seniors staying in their own home communities, amongst their support system including their family and friends has the potential to defer costly moves into long-term or extended care in a regional centre or Yellowknife.

As part of this initiative, the NWT HC has constructed the Aklavik Seniors Complex, the Joe Greenland Centre, that was completed in the fall of 2015. The Joe Greenland Centre includes modern features that will assist residents in their day-to-day living. Some of these supports include a "visit-able" design approach. The design includes no-step entrance areas, wider doorways and a bathroom on the main floor. Other design features may include reinforced bathroom walls for grab bars, levered door handles, raised electrical outlets and lowered light switches.

The NWT HC is planning to build a further four seniors' buildings in Fort Liard, Fort McPherson, Fort Good Hope, and Whati. In each of these buildings eight units will be occupied by seniors and one unit will be designated as a caretaker unit. These buildings will extend seniors' community living arrangements and may assist in the prevention of premature admission to long-term care facilities.

These units are operated under the Public Housing program. Currently, there are 356 Public Housing units across the territory that are designated for seniors and have modifications to improve accessibility. The NWT HC is incorporating specific accessibility features in all new housing units, whether or not they are intended for occupants with mobility challenges.

Making all our units more accessible increases the type of clients that can use all units and allows for our existing buildings to serve the population as it ages.



MARKET HOUSING

The lack of market housing options in small communities has been noted as a challenge to effective service delivery, especially in the case of front-line workers like teachers and nurses.

On April 29, 2013, the Northwest Territories Teachers' Association released the Northwest Territories Teachers' Association 2013 Housing Report – NWT Summary. The second part of the report, a Regional Summary, was released on July 3, 2013. This summary noted that the NWT HC was working to allocate a number of vacant housing to teachers, but that teachers still faced three key challenges when it came to housing in the north; lack of available housing, lack of affordable housing, and a lack of adequate housing.

To address this need for market rental options, the NWT HC is planning to deliver 89 new market units over a three-year period from 2014-15 to 2016-17. As part of its 2015-16 delivery, the NWT HC built 41 new Affordable Housing units in various communities across the NWT, which includes the 27 units carried over from 2014-15. A further 22 units will be carried over to the next fiscal year.

EXPANDING LOCAL COMMUNITY HOUSING SERVICES

The NWT HC expanded local housing service delivery in the communities of Whati and Gameti during the year.

This expansion of services requires the NWT HC to build local capacity in these communities as units have been allocated for use as public housing in some communities where there was previously no public housing or limited public housing. The establishment of a formal LHO involves the legal establishment of a Housing Authority under the NWT Housing Corporation Act.

LHOs also require community infrastructure such as an administrative office, a workshop/garage, storage yard, and maintenance equipment and tools. These communities will benefit from more support for their NWT HC operated units, quicker response to their needs, and staff that are available in the community. This will also bring the additional benefit of more jobs to these communities.

New local housing organizations (LHOs) have been established in Whati and Gameti. Another LHO is in the process of being established in Fort Liard. The establishment of these LHOs will create full-time administrative and maintenance staff in these communities. Both Whati and Gameti have full-time managers hired, and will be hiring maintenance staff in the next fiscal year.

These new LHO expansions will support the following units in these communities:

- Gameti: 17 public housing units; 9 affordable housing units
- Whati: 25 public housing units; 16 affordable housing units

This initiative improves community access to housing programs and services, and builds on the Cost-of-Living priority of the 18th Legislative Assembly.

2015-2016 LONG SERVICE AWARD RECIPIENTS

Five Years

Arusa Shafi, Policy Analyst – Strategic Planning, Policy and Communications
Dolphus Ferdinand, Service Desk Analyst – Information Services
Gil Lafferty, Technical Advisor – North Slave District Office
Louise Cumming, Supervisor, Accounting Services – Finance and Administration

Ten Years

Crystal Wegernoski, Contracts/Finance Administrator – Sahtu District Office
Jim Martin, Vice-President – Finance and Infrastructure Services
Kate Smith, Construction Manager – Beaufort-Delta District Office
Kelcy McDonald, Programs Manager – Beaufort-Delta District Office
Leon Nason, Technical Advisor – South Slave District Office
Sandy Stewart, Senior Lands Officer – Beaufort-Delta District Office
Shelly Martin, Senior Advisor – Executive Office
Shona Barbour, Programs Advisor – Beaufort-Delta District Office
Susie Hanna, Contracts Administrator – North Slave District Office

Fifteen Years

Bonnie Leonardis, Programs Advisor – North Slave District Office
Mike Keohane, Manager, Programs – North Slave District Office
Rudi Mouthaan, Database Administrator/Programmer – Information Services
Stephen Murphy, Chief Information Officer – Information Services
Todd Moran, Manager, Maintenance Services – Infrastructure Services

Twenty-five Years

Ioan Astle, Manager, Housing Programs & District Operations – Programs and District Operations

Thirty Years

David Klingbeil, Technical Officer Architectural – Infrastructure Services

Appendix A:
Management Discussion and Analysis
Fiscal Year 2015-2016

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Managing Risk / Pressures

Although the NWT HC has accomplished much over the 2015-16 fiscal year and has an ambitious agenda of how it will move forward to address the housing needs of our residents, there are both external and internal pressures and risks that impact how the NWT HC does business. In response to these challenges the NWT HC has employed various mitigation strategies to help offset, to the extent possible, these risks.

Declining CHMC Funding

Funding from CMHC for social housing continues to decline. Overall, the decline will be from \$20 million in 2002-03 to zero by 2038-39. The funding declines by different amounts on an annual basis depending on when the housing stock was initially constructed in partnership with the federal government. Over the life of the 18th Legislative Assembly federal funding will decline by \$1.4 million.

The NWT HC participates in the Provincial – Territorial Housing Forum that leads the inter-jurisdictional efforts to engage the federal government in meaningful discussion regarding sustainable housing. One mitigation strategy that the NWT HC is pursuing is the expansion of the market rent program to house RCMP in communities. This initiative will not only increase the availability of market housing, but also increase overall corporate revenue with a view of partially offsetting ongoing reductions in federal funding.

The NWT HC will continue to provide opportunities for tenants to take greater responsibility for their utility consumption with a view to reduce overall operating and maintenance costs to offset CMHC funding declines. On August 1, 2016 the tenant paid portion of electricity increased from \$.09 per kWh to \$.15 per kWh.

Increase in Core Need (Quality of Housing and Affordability)

The level of core need in the NWT according to the 2014 NWT Community Survey is 19.8%. To assist in addressing this situation the NWT HC has continued the allocation of funding under its capital plan towards the replacement or retrofit of the older public housing units.

In accordance with the priorities in the strategic framework, the NWT HC continues to provide the Transitional Rent Supplement Program to address market housing challenges of the working poor and the Securing Assistance for Emergencies repair program to provide access to emergency repairs for low to moderate income households. These programs are in addition to the homeownership and repair programs already offered.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Increased Utility Costs

The sheer remoteness, a small population spread over a large landmass, and the growing global demand for resources such as natural gas and oil has helped to drive up the cost of utilities in the NWT. The NWT HC continually implements capital plans that improve the quality and energy-efficiency of Public Housing units to mitigate increasing utility costs. New construction for the replacement of aging single detached Public Housing is almost exclusively multi-unit buildings, resulting in lower consumption of heating fuel. Our standards for retrofits and new units require that projects meet or exceed EnerGuide for Housing (EGH) 80 design standards. The NWT HC has also invested in new energy efficiency technologies such as biomass and photovoltaic solar systems to help offset the high cost of energy.

In 2014-15 the NWT HC designed and implemented a system to improve detailed tracking of utility consumption and pricing. The system continues to undergo upgrades to improve data obtained from the system to inform the decision making process regarding energy efficient initiatives.

Land Development Issues

The availability of land for both current and future housing construction projects is an ongoing challenge. Land development in many Northwest Territories communities has not kept pace with the ongoing demand for suitable, developed, vacant lots. The NWT HC continues to work with community governments to identify and develop suitable land for residential construction.

Credit Risk

The NWT HC is exposed to credit risk from tenants and mortgage clients. Several LHOs have had challenges in collecting rent from tenants, resulting in accumulated tenant arrears. The NWT HC has increased support to enhance rent collections, including establishing a collections unit to further support LHOs with their ongoing collection activity. Our Territorial Housing System (THS), an information management database and reporting system, gives the NWT HC the ability to monitor tenant matters and arrears management within LHOs more effectively. The increased focus on collections has resulted in a 110% collection rate for public housing in the 2015-16 fiscal year.

Since 2012, the NWT HC has worked with clients to restructure their mortgages with a view to improving overall collections rates. In 2015-16 the NWT HC realized an average mortgage collection rate of 71% across refinanced mortgages. It was through working with our clients to structure repayment plans that meet their needs that the NWT HC was able to recognize loans previously uncollectible as viable loans.

Financial Results

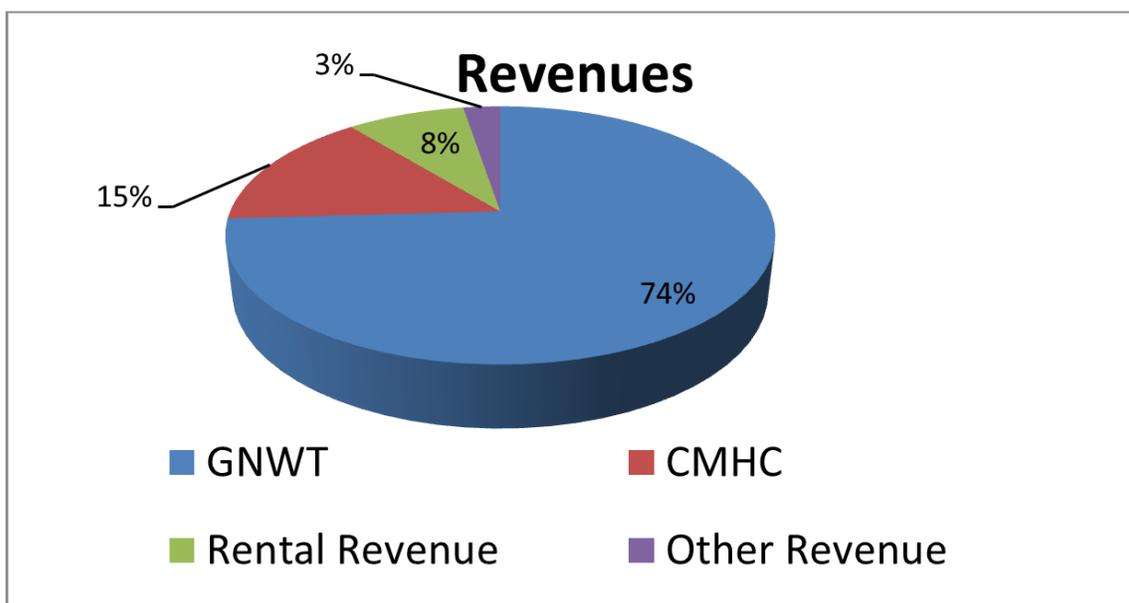
Revenues

The total revenues for the Corporation in 2015-16 were \$115.7 million, a decrease of \$1.9 million from the previous year's total of \$117.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Government funding, from the GNWT and our Federal housing partner, the Canada Mortgage and Housing Corporation (CMHC), increased from \$102.5 million to \$103.1 million. The increase is mainly in GNWT funding related to forced growth for collective bargaining and other initiatives.

Revenue generated from operations amounted to \$12.6 million in 2015-16, a decrease of \$2.5 million over the \$15.1 million in revenue generated in 2014-15. This decrease was related to lower rental revenues on the housing portfolio, lower accounting recovery on the mortgage portfolio as a result of higher recoveries recognized in the past several years and lower income from portfolio investments as the investment pool has been drawn down to finance capital projects.



Expenses

The Corporation's total operating expenditures for 2015-16 were \$97.8 million, a 2% decrease over the previous year's expenses (2014-15 \$99.7 million). Costs of operating the public housing program increased by 2% to \$54 million during the fiscal year. Included in these costs was \$25.7 million spent on utilities (2014-15 \$26.4 million) representing a 3% decrease over the cost for the previous year. The public housing program costs continue to be the largest component of the Corporation's expenses, representing 55.2% of the annual operating expenditures .

Building, repairs and maintenance costs related to the public housing stock were \$10.6 million in 2015-16, an increase of 14% over the \$9.3 million spent in 2014-15. This includes preventative and demand maintenance as well as non-capital repairs and upgrades and environmental remediation under the modernization and improvement program to maximize the useful life of our public housing assets. The increasing expenditures are partially due to a large demolition and environmental remediation project to make land available for future development.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

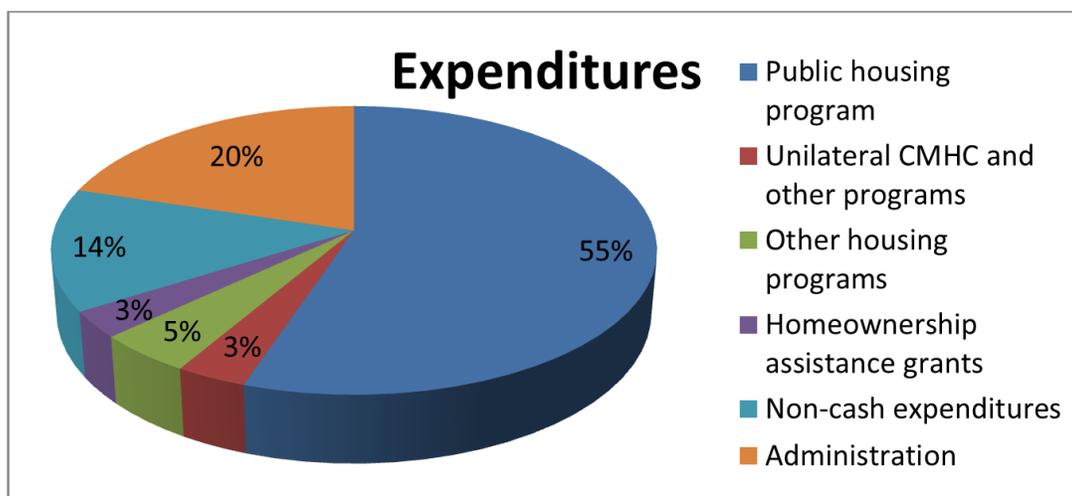
Expenditures on affordable housing programs (market housing and HELP housing programs) were \$4.0 million in 2015-16, a 9% decrease of over the \$4.5 million expended in 2014-15. The decrease was attributable to lower utility costs due to a reduction in the number of vacant leased units, and reduced repairs and maintenance expenses. The NWTHC also contributed \$2.6 million to unilateral CMHC programs and other programs, an increase of 3% over the \$2.5 million contributed in 2014 -15. The increase was related to increasing operational and maintenance costs of unilateral groups.

Homeownership assistance grants were \$2.9 million in 2015-16, a decrease of 48% over the previous year amount of \$5.6 million. This funding is used for the provision of homeownership grants & contributions to support increased homeownership units and improvements to existing homeownership units. Funding provided by the NWTHC is subject to the receipt of qualified applicants. Over the past several years there has been a large uptake into the program and the decrease in funding is partially attributable to large program delivery in previous years. During 2015-16 the NWTHC introduced a co-pay portion to access services under these programs which has also affected program utilization numbers.

The Corporation had losses of \$.6 million in 2015-16 related to impairment of tangible capital assets, down from \$1.6 million in the previous year. These losses are related to the write-down of asset values as a result of 1 property damaged by fire and 15 buildings to be disposed where estimated proceeds are lower than the net book value of the units.

The Corporation spent \$19.8 million in Administrative, Program and Technical Services in 2015-16, representing the same level of expenditures as the previous year. Costs include administration support, program development and delivery, and technical support services that occurred at the District office and Headquarters. The largest component of administration expenses are salaries and benefits of \$15 million (\$14.7 million in 2014-15).

The acquisition or construction of new housing assets and the renovation of existing housing is funded by the GNWT, CMHC and own source revenues. These budgeted revenues are reflected on the operating statement net of amortization resulting in an overall budgeted operating surplus of \$12.2 million. These surplus operating funds are utilized to support the delivery of the capital infrastructure acquisition plan.



MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Financial Position

The Corporation continues to maintain a solid financial position in 2015-16, with net financial resources of \$44.1 million, a decrease of \$7.4 million over the prior year. The requirement for the Corporation to maintain a positive net financial resources position is necessary to ensure future obligations can be met, particularly related to capital projects and contractual commitments and to mitigate financial risk associated with the \$18.7 million third party loans that the Corporation administers on behalf of the CMHC. The Corporation indemnifies and holds harmless the CMHC from all losses, costs and expenses related to these loans, as provided under the Social Housing Agreement (SHA). The Corporation has also provided loan guarantees to private sector companies and households in support of new construction or improvements of residential housing across the north. The total outstanding balance of loans guaranteed was \$3.3 million as at March 31, 2016.

The cash and cash equivalents balance of \$21.8 million (\$13.4 million at March 31, 2015) represents the March 31, 2016 balance in 23 LHO and Corporation bank accounts. The Corporation invests excess cash flow in portfolio investments that meet the terms of the investment policy. As at March 31, 2016 \$50.8 million (\$65.2 million at March 31, 2015) was invested in portfolio investments with a weighted average rate of return of 2.2%. Excess cash resources will be used to fund investment in new tangible capital assets in the next few years.

Since 2012 the Corporation has been working with mortgage clients to restructure their loans. As a result of the success of this program on collections the Corporation reinstated \$.8 million of mortgages and loans previously determined to be uncollectible. As a result of this reinstatement the mortgage and loans balance increased from \$4.2 million at March 31, 2015 to \$4.4 million at March 31, 2016.

Investment in Housing

As at March 31, 2016 the Corporation had \$269.1 million of investments in land and buildings, representing the amortized book value of 2,564 owned public housing, homeownership rental and market rental units. During the year, an additional investment of \$40.1 million was made in new properties and the major renovation of existing properties. There were 7 housing units, with a carrying value of \$1.1 million, disposed of during the year through sale or demolition, 16 properties written down by \$.6 million and \$12.8 million of property costs were amortized during the year.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017 Budget
Revenues						
GNWT	54.0	67.0	69.3	85.1	85.8	81.7
CMHC	19.6	18.6	17.5	17.4	17.3	33.7
Amortization of Deferred Capital	14.8	-	-	-	-	-
Other	12.8	12.1	16.8	15.1	12.6	12.0
Total Revenues	101.2	97.7	103.6	117.6	115.7	127.4
Expenses						
Public Housing Programs	47.0	52.7	52.7	52.7	54.0	51.6
Other Housing Programs	5.5	5.6	9.2	8.3	7.7	11.8
Homeownership Assistance Programs	7.9	7.1	5.2	5.6	2.9	6.5
Impairment/ Disposal Loss on TCAs	2.3	3.5	1.1	1.6	.6	-
Amortization	12.3	11.9	12.2	11.7	12.8	14.6
Administrative, Program and Technical Services	17.8	17.6	19.6	19.8	19.8	22.6
Total Expenses	92.8	98.4	100	99.7	97.8	107.1
Annual Surplus (Deficit)	8.3	(0.7)	3.6	17.9	17.9	20.3

Expenses

Public Housing Programs - In general, the costs to administer the Public Housing program continue to increase due primarily to inflationary pressures related to utility costs and salaries and benefits. There are also fluctuations from year to year dependent on the level of funding that is provided for minor repairs that are necessary to maintain the NWT HC owned housing assets.

Homeownership Assistance Programs - the funds available to provide as grants to homeowners (for the purchase repair of homeownership units), varies from year to year depending on the client demand for repair programs balanced against the requirement to maintain good quality NWT HC owned housing assets.

Annual Surplus (Deficit)

For fiscal years 2014-2015 and 2015-2016, the Corporation incurred substantial operating surpluses. This was due, in large part to an increase in funding from the GNWT for capital repair and replacement of the housing stock. The operating surplus is offset by capital expenditures of \$27.0M and \$40.1M respectively in those years.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Write-off of Corporate Debt

As referenced in Part IX, Public Agencies, Section 84 of the Financial Administration Act any asset, debt or obligation written-off during the financial year that exceeds \$500 must be reported in the annual report of the public agency.

Under Section 82 of the Financial Administration Act, a public agency such as the NWTHC has the authority to write-off debts or obligations up to \$20,000. Any write-off requests above \$20,000 require the express authority of an Act through the Legislative Assembly. When debts are written off it does not mean these debts are forgiven and the NWTHC has an obligation to continue collection activities.

Approved write-offs for fiscal year 2015-2016:

Name	Community	Reason	Amount
Joe Abel	Lutsel K'e	Over 6 years, Statute of Limitations	843
Pauline Bonnetrouge	Fort Providence	Deceased	64
Louis Chocolate	Behchoko	Deceased	11,263
Billy Cholo	Fort Simpson	Deceased	221
Peter Cornielle	Fort Simpson	Deceased	1,899
Deh Cho Futures	Fort Simpson	Over 6 years, Statute of Limitations	13,736
Denesoline Corporation	Lutsel K'e	Over 6 years, Statute of Limitations	80
Johnny Dryneck	Behchoko	Deceased	12,794
Bruno Eyakfwo	Behchoko	Deceased	2,328
Corrine Eyakfwo	Behchoko	Deceased	9,774
Madeline Gargan & Mary Causa	Fort Providence	Deceased	305
John Grossette	Fort Simpson	Deceased	364
Marie Kenny Sr.	Deline	Deceased	105
Elizabeth Kodakin	Deline	Deceased	13,120
Allen Koe Sr.	Aklavik	Deceased	10
Janice Mandeville	Fort Simpson	Bankruptcy	18,805
Leonard McDonald	Norman Wells	Deceased	4,361
Marie Modeste	Deline	Deceased	9,639
Adrian Nataway	Lutsel K'e	Over 6 years, Statute of Limitations	614
Angela Prevost	Fort Simpson	Deceased	44
Louis Quitte	Behchoko	Deceased	416
John Baptiste Rabesca	Lutsel K'e	Deceased	980
Philip Rabesca	Behchoko	Deceased	1,017
Edwin Sabourin	Fort Providence	Uncollectible	133
Bruce Stewart	Aklavik	Deceased	455
William Tinqu	Behchoko	Deceased	662
Terry Vital	Gameti	Uncollectible	1,245
Pierre Washie & Melanie Washie	Behchoko	Deceased	59
Paul Wetrade	Gameti	Deceased	7,135
TOTAL			112,471

Appendix B:
Independent Auditor's Report and
Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These accompanying consolidated financial statements and notes to the consolidated financial statements and schedules of Northwest Territories Housing Corporation have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for ensuring that the information contained in the annual report is consistent, where appropriate, with the information contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and the Corporation complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to the Corporation's statutory requirements and policies.

The external auditor, the Auditor General of Canada, conducts an independent audit for the purpose of expressing his opinion on the consolidated financial statements.

On behalf of Northwest Territories Housing Corporation



Jeff Anderson, CGA, CPA (VT, US)
President & CEO



For Jim Martin, CGA
Vice President
Finance & Infrastructure Services

Yellowknife, Northwest Territories
August 23, 2016



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Housing Corporation

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Northwest Territories Housing Corporation, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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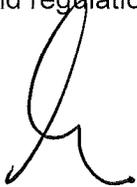
Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Housing Corporation as at 31 March 2016, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Housing Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Housing Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations and the *Northwest Territories Housing Corporation Act* and regulations.



Guy LeGras, CPA, CA
Principal
for the Auditor General of Canada

23 August 2016
Edmonton, Canada

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Financial Position

As at March 31, 2016

(in thousands)

	2016	2015
Financial assets		
Cash (Note 3)	\$ 21,819	\$ 13,377
Portfolio investments (Note 4)	50,830	65,165
Accounts receivable (Note 5)	5,892	5,870
Mortgages and loans receivable (Note 6)	4,439	4,233
	82,980	88,645
Liabilities		
Accounts payable and accrued liabilities (Note 7)	23,840	20,601
Deferred revenue	95	41
Loans payable to Canada Mortgage and Housing Corporation (Note 8)	9,911	10,719
Obligations under capital leases (Note 9)	53	281
Environmental liabilities (Note 10)	683	301
Retirement and post-employment benefits (Note 11)	4,308	5,201
	38,890	37,144
Net financial assets	\$ 44,090	\$ 51,501
Non-financial assets		
Tangible capital assets (Schedule A)	269,064	243,507
Inventories held for use	2,843	2,992
Prepaid expenses	34	104
	271,941	246,603
Accumulated surplus	\$ 316,031	\$ 298,104

Contractual obligations and contingencies (Notes 17 and 18)

Approved:


 Caroline Cochrane
 Minister Responsible for the
 Northwest Territories Housing Corporation


 Jeff Anderson, CGA, CPA (VT - US)
 President & CEO

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016
(in thousands)

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Net financial assets, beginning of the year	\$ <u>51,501</u>	\$ <u>51,501</u>	\$ <u>46,084</u>
Items affecting net financial assets:			
Annual surplus	12,171	17,927	17,907
Acquisition of tangible capital assets	(35,850)	(40,103)	(27,001)
Amortization of tangible capital assets	14,404	12,840	11,700
Disposal of tangible capital assets	-	1,144	1,874
Write-downs of tangible capital assets	-	561	1,432
Acquisition of inventories held for use	-	(1,475)	(1,611)
Consumption of inventories held for use	-	1,625	1,060
Acquisition of prepaid expenses	-	(34)	(68)
Use of prepaid expenses	-	104	124
Increase (decrease) in net financial assets	<u>(9,275)</u>	<u>(7,411)</u>	<u>5,417</u>
Net financial assets, end of year	\$ <u>42,226</u>	\$ <u>44,090</u>	\$ <u>51,501</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016
(in thousands)

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 85,368	\$ 85,770	\$ 85,116
Canada Mortgage and Housing Corporation (Note 12)	17,314	17,345	17,388
	<u>102,682</u>	<u>103,115</u>	<u>102,504</u>
Generated revenues:			
Rental revenue	8,938	9,596	10,221
Recoveries from mortgages and loans (Note 6)	445	1,174	2,186
Income from portfolio investments	811	1,291	1,788
Gain on disposal of tangible capital assets	1,400	53	-
Other revenue and recoveries	19	375	733
Interest revenue on mortgages and loans	120	115	153
	<u>11,733</u>	<u>12,604</u>	<u>15,081</u>
	<u>114,415</u>	<u>115,719</u>	<u>117,585</u>
Expenses			
Public housing program (Note 13)	53,625	53,958	52,690
Unilateral CMHC programs and other programs	2,520	2,609	2,542
Affordable housing (Note 14)	3,065	4,049	4,453
Non-residential building operations (Note 15)	392	413	450
Rent subsidy program	900	328	411
Homelessness fund program	855	339	387
Homeownership assistance grants	6,952	2,908	5,595
Rental housing rural and remote	783	-	-
Amortization	14,404	12,840	11,700
Loss on disposal of tangible capital assets	-	-	195
Write-downs of tangible capital assets	-	561	1,432
Administration (Note 16)	18,748	19,787	19,823
	<u>102,244</u>	<u>97,792</u>	<u>99,678</u>
Annual surplus	<u>\$ 12,171</u>	<u>\$ 17,927</u>	<u>\$ 17,907</u>
Accumulated surplus, beginning of year	<u>298,104</u>	<u>298,104</u>	<u>280,197</u>
Accumulated surplus, end of year	<u>\$ 310,275</u>	<u>\$ 316,031</u>	<u>\$ 298,104</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Cash Flow For the year ended March 31, 2016 (in thousands)

	2016	2015
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 85,889	\$ 84,870
Canada Mortgage and Housing Corporation	17,351	17,397
Rental revenue	9,841	10,977
Investment revenue	1,077	821
Miscellaneous revenue and recoveries	130	2,169
	114,288	116,234
Cash paid for:		
Payments to and on behalf of employees	(29,172)	(27,468)
Payments to suppliers	(51,026)	(56,583)
Payments to individuals	(667)	(659)
Payments for interest	(648)	(708)
	(81,513)	(85,418)
Cash provided by operating transactions	32,775	30,816
Capital transactions		
Acquisition of tangible capital assets	(39,766)	(21,563)
Proceeds on disposal of tangible capital assets	1,198	1,679
Cash used in capital transactions	(38,568)	(19,884)
Financing transactions		
Repayment of long-term debt and capital leases	(1,036)	(1,695)
Cash used in financing transactions	(1,036)	(1,695)
Investing transactions		
Redemption of portfolio investments	76,751	68,638
Purchases of portfolio investments	(62,399)	(79,143)
Mortgage payments received	919	889
Cash provided by (used in) investing transactions	15,271	(9,616)
Increase (decrease) in cash	(8,442)	(379)
Cash, beginning of year	13,377	13,756
Cash, end of year	\$ 21,819	\$ 13,377

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

1. PURPOSE OF THE ORGANIZATION

The Northwest Territories Housing Corporation (the "Corporation") is a territorial corporation, established under the *Northwest Territories Housing Corporation Act* (the "Act") and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, the Corporation operates in accordance with its Act and regulations, Part IX of the FAA, and any directives issued to it by the Minister responsible for the Corporation. The Corporation is exempt from income tax but is subject to Goods and Services Tax.

The Corporation's mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. The Corporation works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

The Corporation's public housing program is delivered by twenty-four community-based local housing organizations (LHOs). Each LHO has a board of directors and management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between the Corporation and the LHOs which outline the roles and responsibilities of each party.

The Corporation and the LHOs are economically dependent upon the Government of the NWT (the "Government") for the funds required to finance the net cost of their operations and capital acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The significant accounting policies are as follows:

Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from the estimates. The more significant management estimates relate to the allowance for impaired mortgages and loans receivable, the amortization of tangible capital assets, and contingencies.

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of the Corporation and the accounts of the following twenty-two LHOs, via consolidation, which are controlled by the Corporation:

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Aklavik Housing Association	Lutsel K'e Housing Authority
Bechokö Kö Gha K'òdèè	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Providence Housing Association	Sachs Harbour Housing Association
Fort Resolution Housing Authority	Tsiigehtchic Housing Association
Fort Simpson Housing Authority	Tuktoyaktuk Housing Association
Fort Smith Housing Authority	Tulita Housing Association
Gameti Housing Authority	Ulukhaktok Housing Association
Hay River Housing Authority	Whati Housing Authority
Inuvik Housing Authority	Yellowknife Housing Authority

The following two LHOs: Yellowknife Dene First Nation (Housing Division) and the Hamlet of Fort Liard, have been excluded from the reporting entity since they are considered to be parts of separate levels of government and thus should be excluded from the reporting entity of any other government or government organization.

All significant inter-entity balances and transactions have been eliminated in the preparation of the consolidated statements.

Revenue recognition

The Corporation receives funding for operating and capital purposes from the Government of the Northwest Territories.

The Corporation also receives funding from the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement and other agreements between CMHC and the Corporation for the operations and maintenance of the various public housing programs, the acquisition of public housing and to provide assistance to eligible homeowners and landlords for repairs and rehabilitation of properties.

Funding provided by the Government and CMHC is recognized as government funding in the fiscal year when authorized by the transferring government, except to the extent that any such funding gives rise to an obligation that meets the definition of a liability. Funding which gives rise to a liability is recognized as revenue as the liability is settled.

Rental revenue is recognized on an accrual basis. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

Contributions for public and affordable housing

The Corporation provides contributions to the LHOs for their administration of the public and affordable housing programs and maintenance of the housing units. These administration and maintenance contributions are determined using a funding formula based on the number of units managed by the LHO.

Contributions for unilateral CMHC and other programs

The Corporation provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Portfolio investments

Portfolio investments are investments in debt securities of organizations that do not form part of the reporting entity and are accounted for using the amortized cost method.

Investment income is recognized on the accrual basis, premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Homeownership assistance grants

The Corporation, under section 44(1) of its Act, may make a home ownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. The conditional grants, which vary in amount depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 6).

The Corporation is not currently providing any new repayable mortgages, loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

Mortgages and loans receivable

The net carrying amount of the mortgages and loans receivable represents the present value of the expected future principal and interest payments to be received, net of the grants provided to the borrowers, any restructuring costs, and the allowance for impairment. Interest income on mortgages and loans receivable is recognized when earned. The costs related to a mortgage or loan restructuring, if any, are expensed in the year of the restructuring.

A mortgage or loan is considered to be impaired when, in management's opinion, there is reasonable doubt as to the collection of principal and interest or when six months of arrears have accumulated. When a mortgage has six months of arrears an allowance for impairment of 100% is established to reduce the carrying amount of mortgages and loans receivable identified as impaired to their estimated recoverable value of nil based on management's best judgment and the Corporation's historical loss experience. The recognition of interest income also ceases on a mortgage or loan identified as impaired.

The Corporation also performs an annual assessment of mortgages with payments in arrears between one and six months. A partial allowance is recorded on these mortgages based on the average collection rate on similar type mortgages.

A mortgage or loan receivable reverts to performing status when, in management's opinion, the ultimate collection of principal and interest is reasonably assured and in the case of a mortgage or loan restructuring, when at a minimum twelve months has passed since the restructuring and payments are not more than six months in arrears.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mortgages and loans receivable (continued)

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer ownership of the housing unit back to the Corporation for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price or construction costs (if available) less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. Quit claim units are evaluated for suitability for delivery of programs and if suitable are added to tangible capital assets at a value as described above. Where suitability criteria are not met the units are disposed of by sale to a third party or demolished and are written down to their residual value if any.

Loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

Tangible capital assets

a) Land and buildings

Land and housing units constructed or purchased by the Corporation are recorded at cost. Housing units previously transferred from CMHC or the Government were recognized at net book value which was considered a reasonable estimate of fair value at the time of the transfer. Housing materials are also recorded at cost and included in construction in progress.

Public and affordable housing units are recorded as capital leases when the Corporation enters into lease agreements where, in effect, the risks and benefits of ownership are transferred to the Corporation. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs. Interest expense is included in interest on long-term debt.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service. Construction in progress is not amortized.

b) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Warehouses and offices	Declining balance	5%
Office furniture and equipment	Declining balance	20%
Mobile equipment	Declining balance	20%
Software	Straight-line over 10 years	
Leasehold improvements	Straight-line over term of lease	

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets (continued)

Inventories held for use

Inventory held for use consists of materials and supplies to be used for the maintenance or minor modifications of buildings. The inventory is valued on a weighted average basis at the lower of cost and replacement value.

Employee future benefits

a) Pension benefits

All eligible employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. The Corporation's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

b) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the Northern Employee Benefits Services Pension Plan ("NEBS"). This plan is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. NEBS is a member owned, not-for-profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north.

Bechokö Kö Gha K'òdèè	Fort Smith Housing Authority
Deline Housing Association	Inuvik Housing Authority
Fort McPherson Housing Association	Lutsel K'e Housing Authority
Fort Resolution Housing Authority	Radlilh Koe' Housing Association
Fort Simpson Housing Authority	Yellowknife Housing Authority

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year. Contributions are recorded as an expense in the year when the employees have rendered service.

c) Retirement, post-employment and other leave benefits

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. Also, employees earn other benefits including maternity and parental leave and non-vesting accumulating sick leave benefits. The cost of these benefits are determined using management's best estimate and are recognized as employees render service.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Environmental liabilities

Contaminated sites are a result of contamination that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The Corporation:
 - is directly responsible; or
 - accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

The liability is recognized net of any expected recoveries.

Services provided without charge

The Corporation receives services provided by the Government without charge which include legal, human resource and other services. The Corporation does not recognize any amounts related to these services.

3. CASH

Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust in the amount of \$1,978 (2015 - \$1,919) which are also included in accounts payable and accrued liabilities (Note 8). Also included in cash is reserve funds of \$854 (2015 - \$0) designated by management to settle mortgage principal where the underlying asset has been disposed. It is anticipated that these funds will be expended in December 2018.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

4. PORTFOLIO INVESTMENTS

Issuer	2016		Carrying amount	2015	
	Stated interest rate	Remaining term		Carrying amount	
Fixed income investments:					
Bankers acceptances, fixed rate	1.2% to 4.63%	37 to 269 days	\$ 39,234	\$	34,923
Bankers acceptances, fixed rate	1.65% to 2.65%	6 to 9 years	9,434		-
Provincial governments, fixed rate	1.54%	4 years	-		8,399
Ontario Hydro Strip Bonds, fixed rate	1.54%	4 years	907		19,155
Ontario Hydro Zero Coupon Bonds, fixed rate	1.96%	6 years	1,255		2,688
			<u>\$ 50,830</u>	\$	<u>65,165</u>

The weighted average effective yield of this portfolio in 2016 was 2.20% (2015 – 1.76%). Investments in bankers' acceptances are highly liquid investments with original terms to maturities of 90 days to one year.

5. ACCOUNTS RECEIVABLE

	2016	2015
Trade accounts receivable	\$ 2,902	\$ 2,376
Tenant rents receivable	13,819	14,744
	<u>16,721</u>	<u>17,120</u>
Less allowance for doubtful accounts	(13,026)	(13,625)
	3,695	3,495
Receivables from CMHC	2,110	2,116
Receivables from related parties:		
Government of the Northwest Territories	87	259
Net Accounts Receivable	<u>\$ 5,892</u>	<u>\$ 5,870</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

6. MORTGAGES AND LOANS RECEIVABLE

a) Mortgage and loans receivable

	2016	2015
Corporate loans, repayable in monthly installments at interest rates of 0.00% and 3%, secured, with a term of 10 years.	\$ 544	\$ 405
Mortgages based on Income Assessment, repayable in monthly installments at interest rates varying between 6.35% and 10.50%, secured by registered charges against real property, with a term over a maximum of 15 years.	320	677
Loans based on Income Assessment, repayable in monthly installments at interest rates varying between 0.00% and 12.00%, unsecured, with a term over a maximum of 15 years.	3,919	3,698
Restructured mortgages, repayable in monthly installments at interest rates of 3%, secured by registered charges against real property, with a term over a maximum of 25 years.	1,690	1,866
Restructured loans, repayable in monthly installments at interest rates varying between 3.00% and 7.20%, unsecured, with a term over a maximum of 25 years.	8,268	8,009
Mortgages and loans receivable	14,741	14,655
Less allowance for impaired mortgages and loans	(10,302)	(10,422)
Net mortgages and loans receivable	\$ 4,439	\$ 4,233

The carrying value of the mortgages and loans receivable that are past due but not classified as impaired is \$1,224 (2015 - \$1,093) There were no write-offs in the current year (2015 - 8).

b) Homeownership assistance grants

Conditional grants have been provided by the Corporation to eligible homeowners, which are fully forgivable on the condition of the property remaining the principal residence and annual income remaining below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Corporation. Conditional grants comprise the Homeownership Assistance grants of \$2,908 (2015 - \$5,595), which are expensed on the consolidated statement of operations and accumulated surplus.

c) Net recoveries on mortgages and loans receivable and conditional grants

	2016	2015
Recoveries on impaired mortgages and loans	\$ 386	\$ 208
Adjustment to allowance for impaired mortgages and loans	405	1,636
Recoveries from conditional grants	383	387
	\$ 1,174	\$ 2,231

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade payables	\$ 13,973	\$ 11,673
Contractors holdbacks	3,015	2,503
Tender and security deposits	438	88
Wages and employee benefits	851	711
Accrued interest	133	153
Damage deposits	2,055	1,831
Loan guarantee obligation	97	81
Prepaid rent	55	57
Payables to related parties:		
Government of the Northwest Territories	3,223	3,504
	\$ 23,840	\$ 20,601

8. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2016		2015	
	Debt balance	CMHC funded portion	Net debt balance	Net debt balance
Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2017 to 2038, at interest rates from 5.94% to 19.00% (2015 - 5.94% to 19.00%).	\$ 24,008	\$ (24,008)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2015 - 6.97%). These loans are guaranteed by the Government.	15,758	(8,754)	7,004	7,576
Mortgages payable to CMHC for three housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 2.78% to 3.68% (2015 - 2.78% to 3.68%).	2,907	-	2,907	3,143
	\$ 42,673	\$ (32,762)	\$ 9,911	\$ 10,719

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

8. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (continued)

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to the Corporation to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as National Housing Act (NHA) Section 79 debt under the SHA) and loans payable to CMHC (referred to as National Housing Act (NHA) Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to the Corporation to reduce 100% of the NHA Section 79 debt and to reduce by 5/9th the NHA Section 82 debt, and to fund the related interest repayments that the Corporation would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by the Corporation each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between the Corporation and CMHC.

Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of \$3,687 (2015 - \$3,794) and would have made additional principal long-term debt repayments to CMHC of \$1,349 (2015 - \$1,268).

The above mortgages and loans payable to CMHC are not secured.

Principal repayments and interest requirements over the life of outstanding loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 847	\$ 582	\$ 1,429
2018	807	532	1,339
2019	1,801	475	2,276
2020	598	406	1,004
2021	585	370	955
2022 - 2026	3,388	1,270	4,658
2027 - 2038	<u>1,885</u>	<u>336</u>	<u>2,221</u>
	<u>\$ 9,911</u>	<u>\$ 3,971</u>	<u>\$ 13,882</u>

9. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed to annual payments for 1 (2015 - two) lease agreement for affordable housing units. This lease agreement is based on an implicit interest rate of 7% with an expiry date in 2017. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	<u>Executory costs</u>	<u>Imputed interest</u>	<u>Lease obligation</u>	<u>Future minimum lease payments</u>
2017	\$ -	\$ 1	\$ 52	\$ 53

The value of the leased housing unit which is included as part of the Corporation's tangible capital assets and the related accumulated amortization as at March 31, 2016 is \$662 and \$589 respectively (2015 - \$2,875 and \$2,583 respectively).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

10. ENVIRONMENTAL LIABILITIES

The Corporation has identified eight sites (seven fuel spills and one other contaminated site) (2015 – six) for which an environmental liability has been recorded. The liability is calculated as estimated costs remaining to remediate the spills to the required environmental standard. The spills are expected to be remediated within the next twelve months subsequent to year end. The estimated amount of recoveries is nil (2015 – nil). The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS

Pension benefits

The employees of the Corporation are covered by the public service pension plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees’ required contribution. The required employer contribution rate is dependent on the employee’s employment start date. For employment start dates after January 1, 2013, the Corporation’s contribution rate effective at year-end was 1.11 times (2015 – 1.28) the employee’s contribution; and for employment start dates before December 31, 2012, the Corporation’s contribution rate effective at year-end was 1.15 times (2015 – 1.28) the employee’s contribution. The Corporation’s and employee’s contributions for the year were \$1,031 and \$1,346 respectively (2015 - \$1,443 and \$830 respectively). Total contributions of \$1,031 (2015 - \$1,443) were recognized as an expense in the current year.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are indexed to inflation.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pension.

Post-employment benefits

In addition to pension benefits, the Corporation provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Corporation’s employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS (continued)

Post-employment benefits (continued)

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave.

The Corporation provides leave, severance and removal benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Liability for leave, severance, and removal benefits is as follows:

	<u>2016</u>	<u>2015</u>
Accrued benefit obligation, beginning of year	\$ 5,201	\$ 5,195
Costs for the year	1,004	1,898
Benefits paid during the year	<u>(1,897)</u>	<u>(1,892)</u>
Accrued benefit obligation, end of year	<u>\$ 4,308</u>	<u>\$ 5,201</u>

Northern Employees Benefits Services (NEBS) Pension Plan

Eligible employees of member LHOs are covered by the Northern Employee Benefits Services (NEBS) Pension Plan, a contributory defined benefit plan. NEBS is a member owned, not-for profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north. The employer and employee contribution rates effective at year end were both 8% (2015 - 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$481 and \$481 respectively (2015 - \$459 and \$459 respectively).

The plan serves 1,700 Employee Members and 115 Employer Members. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). NEBS has agreed to voluntarily comply with PBSA until the plan can be registered under Territorial legislation. The Governments of the NWT and Nunavut passed the NEBS Pension Plan Protection Act in February 2014 which sets rules to protect Plan Members funds. As of December 31, 2015 the plan had a surplus \$24,873 (December 31, 2014 - \$15,474).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

12. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2016	2015
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	\$ 10,100	\$ 10,127
Contributions to non-profit housing sponsor groups and cooperatives	3,919	3,918
Repairs, maintenance and other costs	1,456	1,468
Agreement for Investment in Affordable Housing	1,840	1,840
Agreement for Energy Construction Monitoring	30	35
	\$ 17,345	\$ 17,388

Under the terms of the 1999 Social Housing Agreement with CMHC, the Corporation assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to the Corporation to manage these programs. The SHA and the funding expire in 2038.

On December 20, 2011 the Corporation and CMHC signed the Agreement for Investment in Affordable Housing. This \$11 million three year agreement amalgamated two existing agreements between the Corporation and CMHC: Housing Renovation Program Agreement and the Affordable Housing Agreement Extension. Funding under this agreement can be utilized under specific housing programs: CARE, PATH, HELP and Shelter Enhancement, capital improvements and leased rental units. This Agreement was extended on February 2, 2015 for a period of five years (2014/2015 to 2018/2019) for \$18.4 million. The annual funding is cost shared with CMHC and the Corporation each contributing \$1.84 million for this program. Both parties to the Agreement will provide a total of \$14.7 million over the eight year period from 2011/2012 to 2018/2019.

13. PUBLIC HOUSING PROGRAM

	2016	2015
Utilities, taxes and land leases	\$ 25,704	\$ 26,368
Repairs, maintenance and other costs	10,577	9,304
Salaries and benefits	11,577	11,196
Administration	903	1,147
Contribution for public housing	922	1,087
Rental housing lease	3,647	2,890
Interest on long-term debt	628	698
	\$ 53,958	\$ 52,690

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Notes to Consolidated Financial Statements

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14. AFFORDABLE HOUSING

	2016	2015
Utilities, taxes and land leases	\$ 952	\$ 986
Repairs, maintenance and other costs	742	1,495
Salaries and benefits	1,822	1,585
Administration	143	162
Rental housing lease	50	57
Contribution for affordable housing	340	168
	\$ 4,049	\$ 4,453

15. NON-RESIDENTIAL BUILDING OPERATIONS

	2016	2015
Utilities, taxes and land leases	\$ 274	\$ 206
Repairs, maintenance and other costs	40	88
Contributions	60	68
Non-Residential lease costs	39	88
	\$ 413	\$ 450

16. ADMINISTRATION

	2016	2015
Salaries and benefits	\$ 15,020	\$ 14,727
Building and equipment rentals	2,340	2,211
Travel and relocation	589	664
Administration	454	652
Professional and special services	451	533
Computer services	441	474
Materials and supplies	235	240
Communications	222	248
Workshops and studies	35	74
	\$ 19,787	\$ 19,823

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17. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Included in the contractual obligations below are ongoing maintenance contributions funded by the Government of Northwest Territories. Also included in the 2017 contractual obligations are construction commitments of \$13,158 (2015 - \$19,353).

		Total
2017	\$	17,575
2018		3,870
2019		3,176
2020		2,611
2021		1,196
After		<u>10,806</u>
Total	\$	<u>39,234</u>

18. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by Regulation made pursuant to the *Northwest Territories Housing Corporation Act*. As at March 31, 2016 a total of twenty-two (2015 – twenty-five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$3,260 (2015 - \$3,592). Four (2015 - four) of these loans guaranteed with a total outstanding balance of \$2,239 (2015 - \$2,461) are secured by registered charges against real property. The period covered by these guarantees extends up to 2028.

Under the terms of the Social Housing Agreement with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, costs and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2016 was \$18,666 (2015 - \$20,550). The period covered by these third party loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from the Corporation. The obligation under loan guarantees as at March 31, 2016 is \$97 (2015 - \$81) for one personal loan and is recognized under accounts payable and accrued liabilities.

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19. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 12,841	\$ 11,700
Compensation and benefits	36,418	34,673
Computer hardware and software	138	166
Contract services	7,884	5,163
Controllable assets	45	57
Fees and payments	569	562
Grants, contributions and transfers	4,395	4,537
Housing debt repayment	622	674
Housing operating and maintenance	30,229	36,365
Materials and supplies	2,327	2,056
Other expenses	306	565
Purchased services	717	789
Travel	707	714
Valuation allowances	594	1,657
	\$ 97,792	\$ 99,678

20. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, loans payable to CMHC, obligations under capital lease are measured at amortized cost. The Corporation has exposure to the following risks from its use of financial instruments:

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities or cash outflow obligations as they come due. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The Corporation does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The table below shows when various financial liabilities mature:

Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 23,840	\$ -	\$ -	\$ -	\$ 23,840
Loans payable to CMHC	121	726	3,791	5,273	9,911
Obligations under capital lease	36	17	-	-	53
	\$ 23,997	\$ 743	\$ 3,791	\$ 5,273	\$ 33,804

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20. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk

The Corporation is exposed to credit risk on its portfolio investments, accounts receivable and mortgages and loans receivable.

Portfolio investments

Credit risk on portfolio investments arises from the possibility that the counterparty to the instrument fails to meet their obligations. In order to manage this risk, the Corporation only invests in high quality fixed income investments. The maximum exposure to credit risk is \$64,397 (2015 - \$65,165).

Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. In order to manage this risk, the Corporation actively monitors the age of accounts receivable and initiates collection action when necessary. The maximum exposure to credit risk is \$5,892 (2015 - \$5,870).

Mortgages and loans receivable

Credit risk on mortgages and loans receivable arises from the possibility that the borrower fails to meet their obligations. In order to manage this risk, the Corporation actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. In 2013 the Corporation developed the Revised Mortgage Approach to determine new repayable loan amounts. The maximum exposure to credit risk is \$4,439 (2015 - \$4,233).

As at March 31, 2016, \$2,554 (2015 - \$2,407) of the impaired loans are secured by homes the Corporation has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The value of security is not readily determinable.

As at March 31, 2016, the following financial assets were past due but not impaired:

Financial assets	30 days	60 days	90 + days
Tenants rent receivable	\$ 245	\$ 69	\$ 1,015
Trade accounts receivable	230	16	304
Mortgages and loans receivable	-	-	185

c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Corporation is exposed to interest rate risk primarily through its investment in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Because the Corporation accounts for its fixed rate instruments at amortized cost, a change in interest rates would not affect the consolidated statement of operations with respect to these fixed rate instruments.

NORTHWEST TERRITORIES HOUSING CORPORATION

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(all figures in thousands)

20. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk is minimized by actively managing the duration of the fixed income investments.

Term	Within 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Over 10 years	Carrying value	
						2016	2015
Portfolio investments	\$ 39,234	\$ -	\$ 907	\$ 10,689	\$ -	\$ 50,830	\$ 65,165

The Corporation does not face cash flow interest rate risk on its loans payable to the Canada Mortgage and Housing Corporation because these interest rates are fixed for the full term of the loans. Because the Corporation accounts for these loans at amortized cost, a change in interest rates would not affect the consolidated statement of operations with respect to these loans payable.

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the Corporation's financial assets and liabilities is estimated as follows:

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	\$ 50,830	\$ 50,193	\$ 65,165	\$ 65,579
Loans payable to CMHC	7,004	8,716	7,576	9,705
Mortgages payable to CMHC	2,907	2,942	3,143	3,303
Obligations under capital lease	53	53	281	281

The fair value of the portfolio investments is the market values as at March 31.

The fair value of loans and mortgages payable to CMHC is determined by applying the current yield for debt with a similar maturity date issued by the province of Newfoundland & Labrador and applying this yield to the Corporation's debt. This approach is used because the Government of the Northwest Territories does not issue debt and the province of Newfoundland & Labrador would be considered to have a similar risk profile.

The fair value of the mortgages and loans receivable is estimated to be the carrying amount due to the significant valuation allowances provided.

The fair values of the cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts because of the short term to maturity.

22. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. Except for services provided without charge, the Corporation enters into transactions with these entities in the normal course of business, under terms and conditions similar to those with unrelated parties. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

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23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets March 31, 2016 (all figures in thousands)

	Cost					Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals/ transfers *	Write-down	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2016	2015
Land	6,683	879	-	-	7,562	-	-	-	-	7,562	6,683
Public housing	299,893	21,061	(3,704)	(561)	316,689	140,422	8,814	(3,470)	145,766	170,923	159,471
Affordable housing	64,851	7,747	(61)	-	72,537	18,763	2,743	(30)	21,476	51,061	46,088
Non-residential properties	7,691	789	(2,072)	-	6,408	3,932	478	(1,192)	3,218	3,190	3,759
Construction in progress	18,845	40,103	(31,298)	-	27,650	-	-	-	-	27,650	18,845
Sub-total	397,963	70,579	(37,135)	(561)	430,846	163,117	12,035	(4,692)	170,460	260,386	234,846
Property and equipment:											
Warehouses and offices	12,423	237	-	-	12,660	5,115	433	-	5,548	7,112	7,308
Office furniture and equipment	5,511	86	-	-	5,597	5,032	110	-	5,142	455	479
Mobile equipment	2,082	456	-	-	2,538	1,300	247	-	1,547	991	782
Software	114	-	-	-	114	22	11	-	33	81	92
Leasehold Improvements	728	43	-	-	771	728	4	-	732	39	-
Sub-total	20,858	822	-	-	21,680	12,197	805	-	13,002	8,678	8,661
Total	418,821	71,401	(37,135)	(561)	452,526	175,314	12,840	(4,692)	183,462	269,064	243,507

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets
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*This presentation includes \$31,298 of transfers to acquisitions and \$5,837 of dispositions during the fiscal 2015 – 2016 year.



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