





## **Our Mandate**

Created in 2000 through the Nunavut Legislature by the Northwest Territories Housing Corporation (Nunavut) Act, our mandate as a Public Agency of the Government of Nunavut (GN) is to create, coordinate and administer housing programs so that we may provide fair access to a range of affordable housing options to families and individuals in Nunavut.

## **Our Mission**

To provide opportunities for all residents of Nunavut to have homes that support a healthy, secure, independent and dignified lifestyle through working with our communities to allow them to assume the role of providing housing to Nunavummiut.

## **Our Vision**

To ensure families and individuals in Nunavut have access to a range of affordable housing options.

## **Our Principles and Values**

The Nunavut Housing Corporation believes in and strives for:

- Placing “human capital” – its employees, Local Housing Organization (LHO) partners, tenants and clients – first when targeting housing solutions for Nunavut residents;
- Recognizing the contribution the Corporation and LHO staff make to housing in Nunavut and providing them with the proper work environment and tools to enable them to maximize that contribution;
- Making a positive impact on the quality and affordability of housing;
- Quality of advice, assistance and support to LHOs, other client organizations and agencies, and individuals;
- Quality of property management services for Nunavut Public and Staff Housing;
- Ensuring housing services and support are provided in an equitable manner;
- Use of Inuit Qaujimajatuqangit (IQ) in Corporation decision-making; and
- Building constructive relationships with other governments, agencies, departments, and both community and Aboriginal organizations



# Table of Contents

Letter of Transmittal .....	6
Minister’s Message .....	7
Chairman’s Message .....	8
President’s Message .....	9
Corporate Overview .....	10
Consolidation .....	10
Core Business.....	10
Public Housing.....	10
Staff Housing .....	10
Homeownership .....	11
Homelessness .....	11
Departmental Roles.....	11
Organizational Chart .....	12
Priorities and Objectives .....	13
Core Business.....	13
Public Housing.....	14
Staff Housing .....	15
Homeownership .....	15
Homelessness .....	16
Management’s Discussion .....	17
Report on Operations .....	17
Advisory and Administration Services .....	18
Public Housing.....	20
GN Staff Housing .....	22
Homeownership Programs.....	22
Homelessness .....	23
Consolidated Financial Statements .....	26



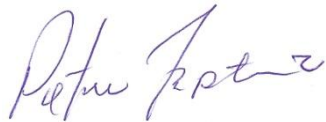
# Letter of Transmittal

The Honourable Edna Elias  
Commissioner  
Government of Nunavut

Dear Madam:

I have the honour of presenting the Annual Report for the Nunavut Housing Corporation, covering the period April 1, 2011 to March 31, 2012.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter Taptuna".

Peter Taptuna  
Minister responsible for the Nunavut Housing Corporation

# Minister's Message

A milestone year, the Nunavut Housing Corporation (NHC) was hard at work in 2011-2012 to meet its obligations under Tamapta as well as to complete the construction of the 1,011 Nunavut Housing Trust (NHT) and Canadian Economic Action Plan (CEAP) funded Affordable Housing Initiative units. With 969 units complete at year's end, the NHC finished an unprecedented 360 units in a single year.

On schedule to complete this construction in time and within the 2010-2011 revised budgets, the Corporation has demonstrated its ability to honour the Government's obligations to fully deliver on the Federal Government's investment in housing in Nunavut.

2011-2012 set a historical milestone for the Corporation with the introduction in January of 2012, of the NHC's first Board of Directors. I am very pleased to welcome Mr. Eugene Lysy and Mr. Jack Anawak, as Chair and Vice-Chair of the Board of Directors, along with Ms. Kathleen Gomes, Ms. Vicki Aitaok, Mr. Bob Leonard, Mr. Gordon MacPherson, and Mr. Ross Mrazek. Their combined experience and leadership has broadened the Corporation's expertise and will provide greater depth to the Corporation's oversight capacity.

With a new Board in place, and the finalization of the NHT and CEAP initiatives, it is time to turn our attention to completing the remaining critical Tamapta objectives of a GN Comprehensive Long Term Housing and Homelessness Strategy and the Revision of the Public Housing Rent Scale. Over the coming months, the NHC will be working with GN Departments and Agencies, Nunavut Tunngavik Incorporated and other partners and stakeholders to complete these tremendously important tasks for the future of housing in Nunavut.

Working with the Board of Directors and the Corporation's dedicated staff, I have great confidence that we will make the great strides required to ensure we are meeting the housing needs of Nunavummiut.

Best Regards,



Hon. Peter Taptuna  
Minister Responsible for the Nunavut Housing Corporation



# Chairman's Message

Adequate housing is intimately linked to the physical and mental health of residents and enables people to direct their energies toward education, employment, child-raising and other important activities.

As Chair of the NHC's first Board of Directors, I am invigorated by the energy of my fellow Board members to build on the Corporation's successes to date. Recognizing the critical function that housing plays in the health and well-being of Nunavummiut, each Board member brings a unique skill set to the Corporation.

From the collective experience of the Board, I am confident we will fulfill our responsibilities and provide the utmost support and guidance to the Corporation to enable it to meet its mandate, as well as the priorities and objectives of its shareholder, the Government of Nunavut.

Our primary role as a Board is to provide strategic direction and strengthen the Corporation's governance. To this end, we have implemented strong governance practices in order to be accountable to Nunavummiut, manage risk responsibly and remain committed to resolving Nunavut's serious housing challenges.

With a strengthened governance structure in place and improved operational oversight, the Board and staff of the Nunavut Housing Corporation firmly believe that the challenge of meeting the housing needs of Nunavummiut is not insurmountable, and the vision of the future as outlined in Tamapta, attainable. This will be demonstrated through the GN Comprehensive Long Term Housing and Homelessness Strategy scheduled for completion in 2013.

I speak for the entire Board of Directors when I say that we are proud of the Corporation's achievements in 2011-2012 and will continue to deliver on our mandate of providing fair access to affordable housing options through our Staff Housing, Public Housing, and Homeownership programs.

On behalf of the Nunavut Housing Corporation's Board of Directors, I present the 2011-2012 Annual Report.

Respectfully,



Eugene Lysy, Chair  
Board of Directors  
Nunavut Housing Corporation

## **BOARD OF DIRECTORS**

Mr. Eugene Lysy, Chair, Thunder Bay, ON  
Mr. Jack Anawak, Vice-Chair, Iqaluit, NU  
Ms. Kathleen Gomes, Director, Iqaluit, NU  
Ms. Vicki Aitaok, Director, Cambridge Bay, NU  
Mr. Bob Leonard, Director, Arviat, NU  
Mr. Gordon MacPherson, Director, Middleton, NS  
Mr. Ross Mrazek, Director, Sherwood Park, AB

# President's Message

The Nunavut Housing Corporation has had a very busy 2011-2012. On the operational front, since fiscal 2010, we have managed a construction rate of over 260 units annually. As such, the Corporation was able to meet its CEAP funded Affordable Housing Initiative obligations; carrying out the federal government's investment in housing in Nunavut.

The completion of NHT and CEAP marks the end of an unprecedented federal investment in housing in Nunavut, and despite the many challenges encountered, many successes were realized and lessons learned that will bear fruit as we continue to address the housing needs of Nunavummiut.

From a policy perspective, the NHC introduced the Tunngasugvik Homeless Shelter Policy, designed to provide greater accountability with regards to funding agreement for homeless shelters. This policy also enables Local Housing Organizations, with support from the NHC, to allocate an existing public housing unit to serve as a homeless facility. This initiative helps provide equitable shelter options to housing vulnerable Nunavummiut across the Territory. This is a positive step toward addressing the sheltering needs of Nunavummiut.

The NHC completed the steps begun in 2010-11 to improve the Corporation's financial management capacity with the relocation of the finance division from our Headquarters in Arviat to the Directorate Office in Iqaluit. All finance positions have now relocated to the Iqaluit Directorate office and efforts are continuing to fill vacant positions.

As part of the overall changes to improve corporate governance and accountability, the NHC welcomed its first Board of Directors. The Board brings a breadth of experience and a broad skill set to the Corporation which strengthens the Corporation's capacity for risk management, financial oversight, strategic planning, and advocacy for meaningful solutions to Nunavut's housing challenges.

Moving forward to 2012-2013, the NHC, in collaboration with GN Departments and Agencies, Inuit Organizations and other stakeholders will continue to provide leadership for the completion of the GN Comprehensive Long Term Housing and Homelessness Strategy. Given the complexity of housing in Nunavut, the strategy will be rolled out in two phases. Work is underway on a Framework to define Nunavut's housing situation. The next phase will involve a whole-of-government approach for the development of an Action Plan for Housing and Homelessness in Nunavut. Together the Strategic Framework and the Long-Term Action Plan will constitute Nunavut's housing strategy.

I would like to thank my staff at the Corporation and our LHO partners for their dedication and commitment, which ensured we met our objectives for 2011-2012. I look forward to working with the Board, our staff and our partners as we continue to successfully navigate the many challenges facing housing in Nunavut.

Sincerely,



Alain Barriault  
CEO & President of the Nunavut Housing Corporation

# Corporate Overview

The Nunavut Housing Corporation (the Corporation) is a Public Agency of the Government of Nunavut (GN), created through the Nunavut Legislature by the Northwest Territories Housing Corporation (Nunavut) Act. As such an agency, the Corporation is at arms-length from the GN and its operating boundaries are set out in Part IX of the Financial Administration Act, the section of the Act specifically devoted to Public Agencies.

The Corporation reports to the Legislative Assembly, Executive Council and Nunavummiut through its President, Board of Directors, and the Minister responsible for the Nunavut Housing Corporation. This approach allows the Minister to maximize the effectiveness of the Corporation for the present and future benefits of Nunavummiut.

Status as a Crown corporation affords many advantages, including:

- The ability to enter into funding partnerships with others, principally the Canada Mortgage and Housing Corporation (CMHC). This means that Nunavut's transfer payments received from the federal government are not affected by the funding that the Corporation receives.
- The ability to carry over funds from one year to the next, ensuring that funds from all sources designated for housing initiatives remain dedicated to housing solutions.
- The stewardship of funds in the Capital and Operating and Maintenance pools, giving the Corporation full authority for the delivery of housing initiatives.

## Consolidation

There were 24 Local Housing Associations and Authorities consolidated with the financial statements of the Corporation for the 2011-2012 fiscal year.

## Core Business

The Corporation offers multiple housing solutions including: providing education, training and support to Local Housing Organizations (LHOs) in the areas of administration, finance, program delivery and maintenance; providing homeowner services in the area of finance and technical assistance; and coordinating housing-related lobby efforts on behalf of all Nunavut residents. These business services are organized in four distinct lines of program delivery: Public Housing, Staff Housing, Homeownership, and Homelessness.

## Public Housing

The NHC delivers a community-sensitive Public Housing Program by providing financial resources and ongoing professional support to its local delivery agents, the 25 Local Housing Organizations. LHOs are responsible for the complete care of the 5,067 units in the public housing portfolio (as of March 31, 2012), from unit allocations and rental assessments/collections, to maintenance and repairs, and energy upgrading.

## Staff Housing

The Corporation administers the Government of Nunavut Staff Housing program, which includes both leased and owned units, and provides policy support to enhance housing options and services available to GN staff in Nunavut. The LHOs and other management agents have the responsibility of maintaining the 1,330 units used for staff housing at a local level.

## Homeownership

Through its Homeownership Programs and supports, the NHC assists residents who can afford the costs of homeownership to secure and maintain their own housing. As well, homeownership education and counseling services are provided to homeowners. These services include consultations regarding purchase of existing homes or new home construction, repairs / renovations, bank financing, and energy conservation in the home.

## Homelessness

Through its Homelessness programs and supports, the Corporation endeavours to improve homelessness services and infrastructure in Nunavut. The program provides support to both existing homeless shelters, as well as organizations interested in establishing new homeless shelters.

## Departmental Roles

To administer the Corporation's programs, a small corporate team of ninety one housing professionals work to make the Corporation an action oriented service delivery agency. Structured around five distinct offices, this cohesive group is further supported by a network of twenty-five Local Housing Organizations which provide a crucial link to Nunavummiut and their communities.

In 2009, an additional seventeen professionals were added on a term basis to assist in the delivery of the 285 new housing units funded under Canada's Economic Action Plan, however these positions expired at various points throughout the year as the delivery of those units were completed.

### *Directorate & Corporate Headquarters*

The Executive is responsible for managing the Corporation to ensure consistency in all its activities across Nunavut, including the application of policies, standards and procedures, and the delivery of programs. It also oversees the development of long-range strategies, policies, and operational guidelines on corporate matters for the Board of Directors, the Minister responsible for the Nunavut Housing Corporation, and for the Executive Council (Cabinet). As well, it ensures that programs are delivered according to the Corporation's funding agreements with the Canada Mortgage and Housing Corporation (CMHC).

Corporate Policy & Communications group works on the development of corporate policy, strategic planning and communications related to key program areas. They provide support to the Minister, the Corporate Executive and the District Offices.

Corporate Headquarters coordinates the preparation, monitoring and reporting of the corporate programs. It also provides support to the District Offices in the areas of programs, contracting, project management, and technical design and maintenance.

### *District Offices*

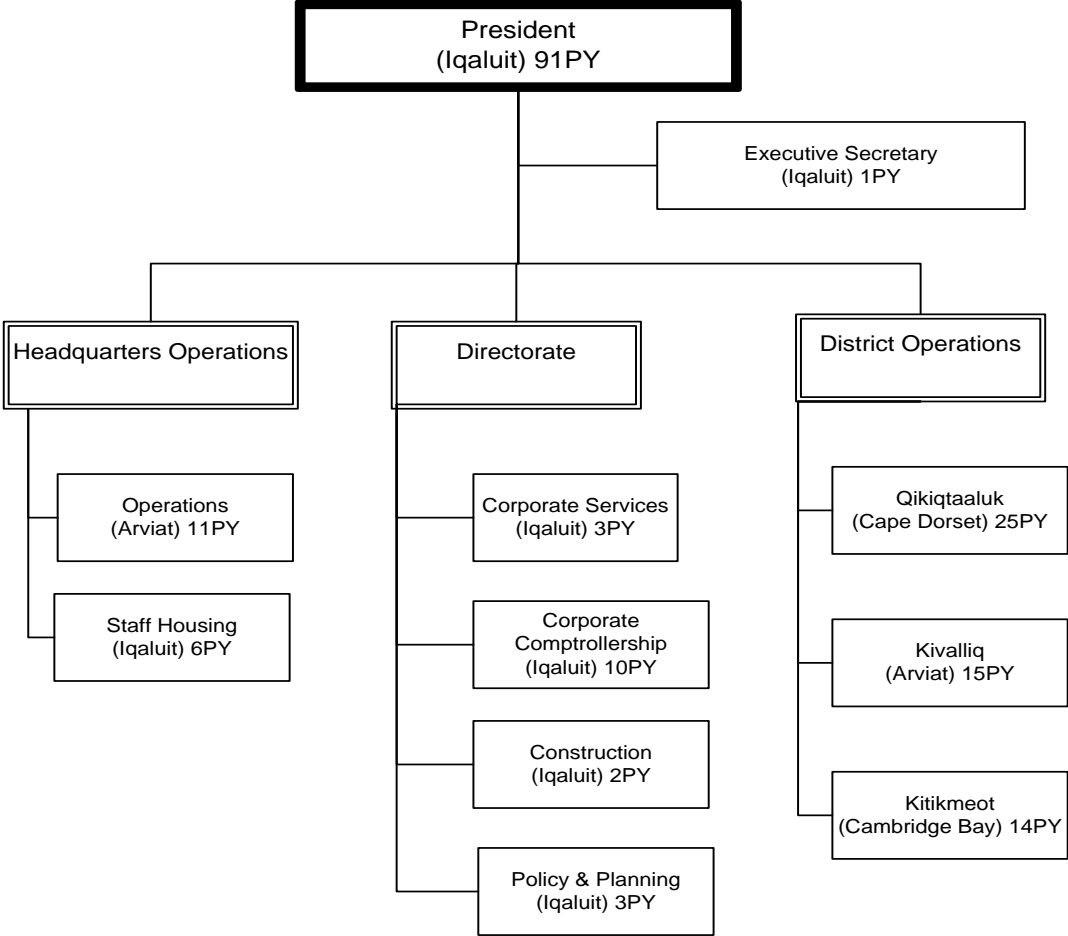
The Corporation's District Offices manage and provide support in the delivery of programs and services to the communities. District Offices set regional priorities and work with LHOs and individual clients to ensure programs delivered are of appropriate standards through monitoring and assessment. The District Office is responsible for ensuring the construction program is successful within its region. It is also responsible for the delivery of various homeownership programs, and developing positive relationships with other government departments and agencies.

### *LHOs (Local Housing Organizations)*

The Corporation partners with LHOs at the community level, who provide most of the day-to-day services associated program delivery to individuals and families.

Virtually all LHOs are formed as independent organizations under the Societies Act (Housing Associations). Exceptions to this include the Iqaluit, Kugaaruk, and Taloyoak Housing Authorities which were formed under the Nunavut Housing Corporation Act, as well as the Municipality of Cape Dorset.

# Organizational Chart



# Priorities and Objectives

*The Corporation's priorities and objectives for the fiscal year 2011-2012:*

## Core Business

**Implement recommendations from first phase of the NHC organizational structure review (Board of Directors).**

**Status:** *The first phase of NHC's organizational structure review (a review of the senior executive and governance structure) was completed in the winter of 2011. The recommended changes included the establishment of a new board of directors. The members of the board were appointed and the first board of directors meeting occurred in January 2012.*

*The NHC is continuing with the second phase of the organizational review (a detailed review of all levels of the organization). The results of the review will be available before the end of fiscal 2012-13.*

**Produce a "Housing in Nunavut" awareness campaign to change Nunavummiut attitudes about housing.**

**Status:** *NHC has been attending and presenting at regional major forums and chamber of commerce meetings. NHC also met with officials from Société d'habitation du Québec to review their Pivallianiq plan.*

**In collaboration with the GN departments, the NHC will take the lead in developing the GN Long Term Comprehensive Housing Strategy and GN Homelessness Strategy.**

**Status:** *A strategic framework was developed and presented to Cabinet in the fall of 2012. A detailed action plan will follow in the spring of 2013.*

**Undertake research activities that will assist NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut**

**Status:** *NHC continues to work collaboratively with CMHC and has partnered with the City of Iqaluit and CMHC to prepare a detailed affordability analysis for the city of Iqaluit.*

*In April 2011 co-presented the findings of the Nunavut Housing Needs Survey to the members of the National Housing Research Committee (NHRC). NHC is an active member on four NHRC committees; Housing Data Working Group, Distinct Needs Working Group, Homelessness Working Group, and the Sustainable Housing & Communities Working Group.*

*NHC is also participating in the development of the "Survey of Issues and Challenges to Providing Market Housing Finance in the Northern Territories".*

**Partner with other departments and agencies to achieve objectives for specific projects for LHO enhancement.**

**Status:** *The NHC is continuing to work with the department of CGS, as well as NPC, and the various hamlets to address utility related issues.*

**Maintain lobbying efforts at the territorial and federal levels to seek support for the provision of suitable and adequate housing across Nunavut.**

*Status:* NHC's VP of Operations is a member of the National Board of Directors for the Canadian Housing Renewal Association (CHRA), and represents all three Northern Territories. CHRA is a national non-profit organization dedicated to supporting and strengthening the social housing sector.

NHC is also a member of a Tri-Territorial Housing committee which includes a technical sub-committee. Recently the Tri-Territorial committee has agreed to create a new socio-economic sub-committee to further address housing issues.

NHC is also an active participant at the PT and FPT levels. This has included the development of a new bi-lateral agreement for the extension of the Affordable Housing Initiative through to 2014.

## **Public Housing**

**Adopt and implement a revised Rent Scale and guidelines.**

*Status:* Initial consultation and analysis of findings has been completed. Options and financial impact are being prepared for Cabinet consideration.

**Monitor the completion of construction of the remaining CEAP units across Nunavut.**

*Status:* NHT projects are advancing with 691 of the 726 units complete as of March 2012. All but 7 CEAP projects were completed by March 31, 2012. CMHC provided an extension to November 30 2012 for the completion of the remaining 7 units, and those are scheduled to be completed prior to that date.

**Monitor and assist LHOs responsible for the construction of public housing units.**

*Status:* All LHO delivered units have been completed.

**Monitor and continue to assist LHOs to develop the workforce in Nunavut communities.**

*Status:* Ongoing.

**Continue to work with LHOs and municipalities to ensure ongoing site preparation for housing development.**

*Status:* Ongoing.

**Support LHOs via technical training, assistance with organizing inventories, and enhanced infrastructure.**

*Status:* Ongoing.

**Continue to provide Housing Association Boards with additional training on NHC policies, procedures and programs.**

*Status:* Ongoing. A new manual and training package for LHO Board Members was previously rolled out and continues to be utilized when training new members.

**Pursue enhancing the number of Maintenance officers located within each District as part of the in-house organizational structure review of the Corporation's capacity and competency needs.**

*Status:* This will be addressed as part of the organizational review currently underway.



## Staff Housing

**Complete the new Staff Housing Strategy as part of the GN Comprehensive Housing Strategy.**

*Status:* The GN Staff Housing program is being reviewed as part of the GN Long Term Comprehensive Housing Strategy and through a GN Staff Housing policy review committee co-chaired by NHC and GN HR.

**Provide an increased range of options to GN employees to encourage homeownership.**

*Status:* This will be addressed as part of the Homeownership program review conducted following the completion of the GN Long Term Comprehensive Housing Strategy. Changes to NDAP were approved by Cabinet and were implemented in the summer of 2012.

**Evaluate GN employees' response to NHC homeownership programs.**

*Status:* This will be addressed as part of the GN Long Term Comprehensive Housing Strategy.

**Increase the co-ordination of new staff housing provision with NHC and GN Capital Plan.**

*Status:* This is now part of the GN capital budgeting process.

**Continue to identify training and staffing opportunities for beneficiaries within the Staff Housing Division.**

*Status:* Ongoing. This has been incorporated into the overall NHC Inuit Employment Plan.

**Continue to enhance the staff housing portfolio, particularly in communities with growing staff housing requirements.**

*Status:* NHC requests funding equivalent to the cost of constructing three duplexes each year as part of its capital budget. These are generally allocated to communities where leased units are not available. Needs resulting from new infrastructure, programs, and legislation have been incorporated into the GN capital planning process.

**Continue to work in close partnership with GN departments to meet their staff housing requirements.**

*Status:* Ongoing.

## Homeownership

**Continue to enhance the development and delivery of home repair, renovation, maintenance and adaption programs in particular for senior and disabled homeowners in support of independent living.**

*Status:* Homeownership Program Guidelines were updated to improve consistency in the delivery and administration of the programs.

The development of the GN Long Term Comprehensive Housing Strategy will identify opportunities to expand and/or modify the existing homeownership programs. This will be addressed in parallel with the changes in Public Housing Rentscale.

**Continue to develop and implement new initiatives to support the movement of public housing tenants, staff housing tenants and private renters' into homeownership.**

*Status:* The NHC continues to offer down payment assistance to build or buy a home. In early fiscal 2011/12 the NHC successfully completed the sale of the Falcon condominiums located in Iqaluit.



*Proposals for revisions and new initiatives will be developed as part of the GN Long Term Comprehensive Housing Strategy.*

**Develop and implement a major homeownership program as a cost effective and efficient initiative in support the construction of new homes.**

*Status: Housing forums were held in January 2011 and September 2011 to discuss various initiatives and alternatives to be discussed. Further action is pending the outcome of the GN Long Term Comprehensive Housing Strategy.*

**Continue to provide additional training opportunities to NHC employees responsible for the delivery of the homeownership programs throughout Nunavut to improve the effectiveness, efficiency and consistency of program delivery.**

*Status: Housing forums were held in January 2011 and September 2011 which included a training component for the program staff.*

**Establish an application appeals process for homeownership programs applicants.**

*Status: This is in the process of being developed for review by the new NHC Board of Directors.*

**Enhance technical support for Homeowners undertaking repairs, renovations and maintenance to improve the cost effectiveness, efficiency and quality of projects undertaken.**

*Status: During 2011/12 technical staff were primarily focused on the successful delivery of the new units under construction. As new construction wraps up, technical staff will be re-deployed to provide support for homeownership programs.*

**Develop a database to gather more information on Homeowners in Nunavut and as well to track more efficiently the NHC's homeownership Programs delivery.**

*Status: Software solutions are being reviewed.*

**Examine the data from the Nunavut Housing Needs Survey and develop proposals to address the identified needs with respect to current and prospective homeowners.**

*Status: This will be part of the GN Long Term Comprehensive Housing Strategy*

## **Homelessness**

**Continue to lobby the federal government for increased resources to combat homelessness in Nunavut.**

*Status: NHC delivered a presentation to the Federal House of Commons Standing Committee on the Status of Women. NHC also met with Human Resources and Skills Development Canada (HRSDC) to facilitate the extension of the Homelessness Partnering Strategy (HPS) funding strategy to 2014.*

**Continue to work with the inter-departmental and inter-jurisdictional working group on homelessness.**

*Status: The GN Long Term Comprehensive Housing Strategy Working Group formed a sub-committee to focus on Homelessness.*

**In collaboration with stakeholders, develop a long-term Homelessness Strategy and a corresponding implementation plan for responding to homelessness across Nunavut.**

*Status: Cabinet has approved the new Tunngasugvik (homeless shelter funding) policy. Homelessness has been incorporated into the development of the GN long term comprehensive housing strategy.*

# Management's Discussion

## Report on Operations

### *Directorate / Headquarters*

In 2011-2012 over 360 new public housing units were constructed as part of the Corporation's delivery of affordable housing units under the \$200 million Nunavut Housing Trust (NHT) and the \$100 Million Northern Affordable Housing Initiative as part of Canada's Economic Action Plan (CEAP) federal stimulus funding. As a result of these two significant investments by the Federal Government and funding from the Government of Nunavut, on March 31, 2012, the NHC had completed 691 of 726 units planned under NHT and 278 of 285 units under CEAP; for a total of 969 of 1,011 planned units. NHC obtained an extension for the remaining CEAP units to be completed by November 30, 2012.

In May 2011, the NHC introduced the Tunngasugvik Homeless Shelter Policy. Designed to provide greater accountability with regards to funding agreements for homeless shelters, the Tunngasugvik Policy also enables Local Housing Organizations, with support from the NHC, to allocate an existing public housing unit to serve as a homeless facility.

The intent of the policy is to support community based solutions for meeting local housing needs and help provide equitable shelter options to housing vulnerable Nunavummiut across the Territory. This initiative is a significant step towards ensuring the Government of Nunavut's investments in homelessness are deliberate and effective in responding to the sheltering needs of those who cannot otherwise access safe, affordable and secure housing.

The NHC also made progress on the development of a strategic framework as the foundation for the GN's Comprehensive Long Term Housing and Homelessness Strategy. The NHC's outline for the Strategy is to complete the Framework in 2012-2013 as a precursor for a realistic and achievable Action Plan for Housing and Homelessness in Nunavut.

Through its participation in community consultations and on interdepartmental working groups the NHC contributed to the development of the GN's Makimaniq Plan for poverty reduction. The NHC also continued work on options for the revision of the Public Housing Rent Scale to support poverty reduction efforts.

As outlined in Note 20 of the Consolidated Financial Statements, the NHC continued to meet its reporting obligations set out in the Ministerial directives of 2010 from the Minister responsible for Housing and the Minister of Finance.

A major achievement for the NHC in 2011-2012 was the establishment of the Nunavut Housing Corporation's first Board of Directors. A specific directive of the Minister responsible for the Nunavut Housing Corporation aimed at strengthening of the Corporation's governance structure, this initiative included the amendment of the Nunavut Housing Corporation Act to enable the creation of the Board, the recruitment and selection of candidates and the logistics of their first meeting in Iqaluit, January 19 and 20, 2012.

### *Districts*

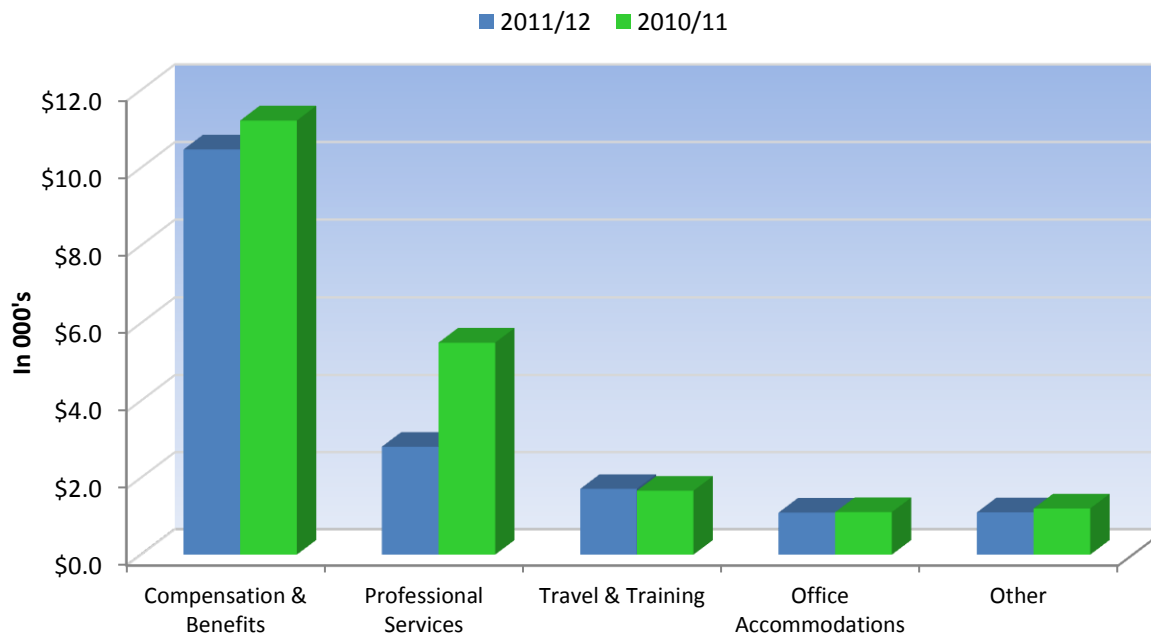
District Operations focused on providing support to LHOs and delivering the Corporation's major lines of business, namely the Public Housing, GN Staff Housing, Homeownership, Public Housing Modernization and Improvement, and Construction programs.

The NHC offers homeownership programs geared towards assisting homeowners throughout the life of their home, such as the Emergency Repair Program, Home Renovation Program, Senior Citizen Home Repair Program, Seniors and Disabled Persons Preventative Maintenance Program, and the Heating Oil Tank Replacement Program. The Corporation also offers homeownership programs geared towards the purchase of a new and existing home, such as the Nunavut Down Payment Assistance Program.

## Advisory and Administration Services

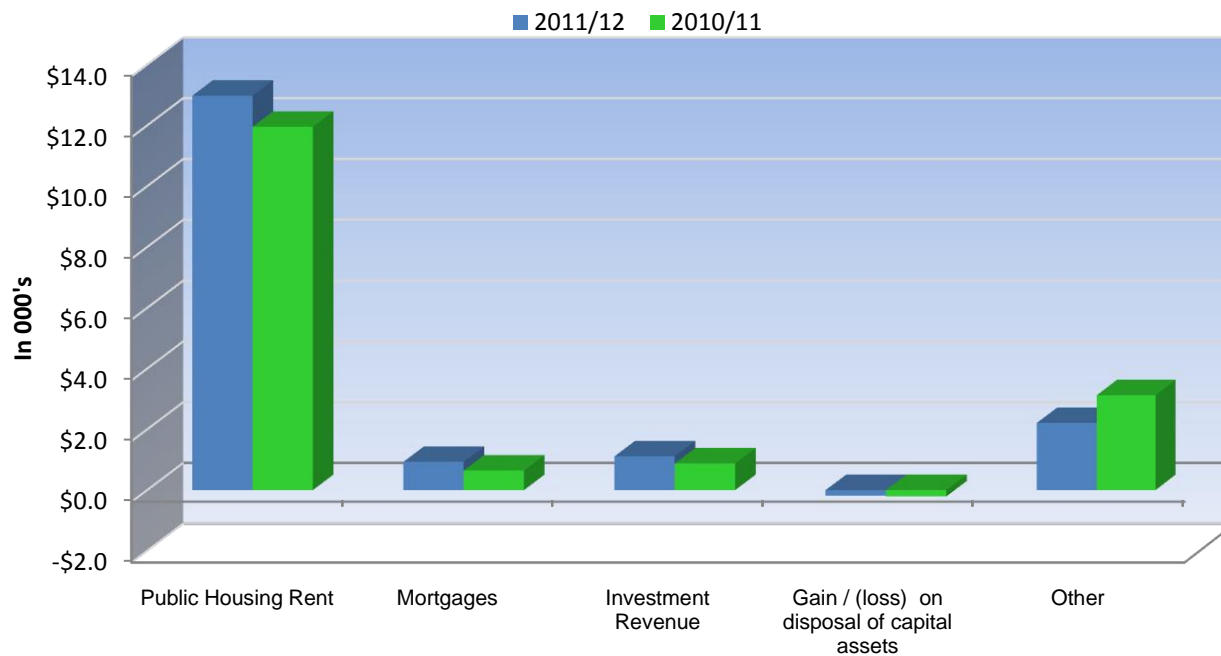
### Administration

In 2011/12, administration costs (not including administration related to staff housing) decreased from \$20.674 million to \$17.171 million primarily due to decreases in professional and special services costs, and travel and relocation.



### Total Revenues & Government Funding

Total Revenues increased from \$217.6 million to \$231.9 million in 2011/12. Government funding increased from \$201.2 million to \$214.9 million. This included amortization of deferred capital which increased from \$24.1 million to \$31.4 million due to the additional investments in tangible capital. All other revenues increased from \$16.4 million to \$17.0 million. These other revenues can be broken down as follows:



The Corporation's most significant generated revenue is public housing rent. During fiscal 2011/12, the Corporation increased the collection rate from 79.7% to 84.4%.

Details by community are as follows:

<b>Community</b>	<b>2011/12</b>	<b>2010/11</b>
Arctic Bay	72.2%	47.3%
Clyde River	40.9%	55.1%
Grise Fiord	89.2%	97.6%
Hall Beach	99.7%	57.8%
Iglolik	85.3%	78.3%
Iqaluit	90.1%	89.7%
Kimmirut	91.8%	81.3%
Pangnirtung	96.7%	87.4%
Pond Inlet	83.7%	75.7%
Qikiqtarjuaq	73.3%	79.8%
Resolute Bay	87.0%	87.3%
Sanikiluaq	82.2%	92.6%
<b>Baffin</b>	<b>82.3%</b>	<b>77.7%</b>
Arviat	85.2%	86.2%
Baker Lake	86.6%	78.7%
Chesterfield Inlet	112.5%	94.6%
Coral Harbour	94.0%	102.7%
Rankin Inlet	92.6%	103.9%
Repulse Bay	91.1%	87.9%
Whale Cove	100.8%	102.6%
<b>Kivalliq</b>	<b>90.8%</b>	<b>93.8%</b>
Cambridge Bay	106.1%	72.3%
Gjoa Haven	60.4%	72.3%
Kugaaruk	69.0%	76.8%
Kugluktuk	83.4%	76.9%
Taloyoak	85.5%	65.7%
<b>Kitikmeot</b>	<b>82.7%</b>	<b>72.8%</b>
<b>Nunavut</b>	<b>84.4%</b>	<b>79.7%</b>

Where collection rates exceed 100% this indicates that LHOs were able to collect more rent than was assessed during the year by collecting amounts owing from prior years.

### *Accumulated Surplus*

During fiscal 2011/12, the Nunavut Housing Corporation accumulated surplus grew from \$9.7 million to \$16.5 million. The \$6.8 million surplus generated in 2011/12 was mainly due to the sale of condos, mortgage revenue, and recovery of homeownership funding. Proceeds from the sale of condos will be reinvested into new condo programs.

The surplus balance of \$16.5 million should not be considered to be funds available for use. Non-financial assets will be amortized and expensed during the course of their useful life which will draw this balance down over time.

## Public Housing

In 2011-2012, the Corporation wrote off 4 public housing units with a total net book value of \$102,176. This can be broken down as follows:

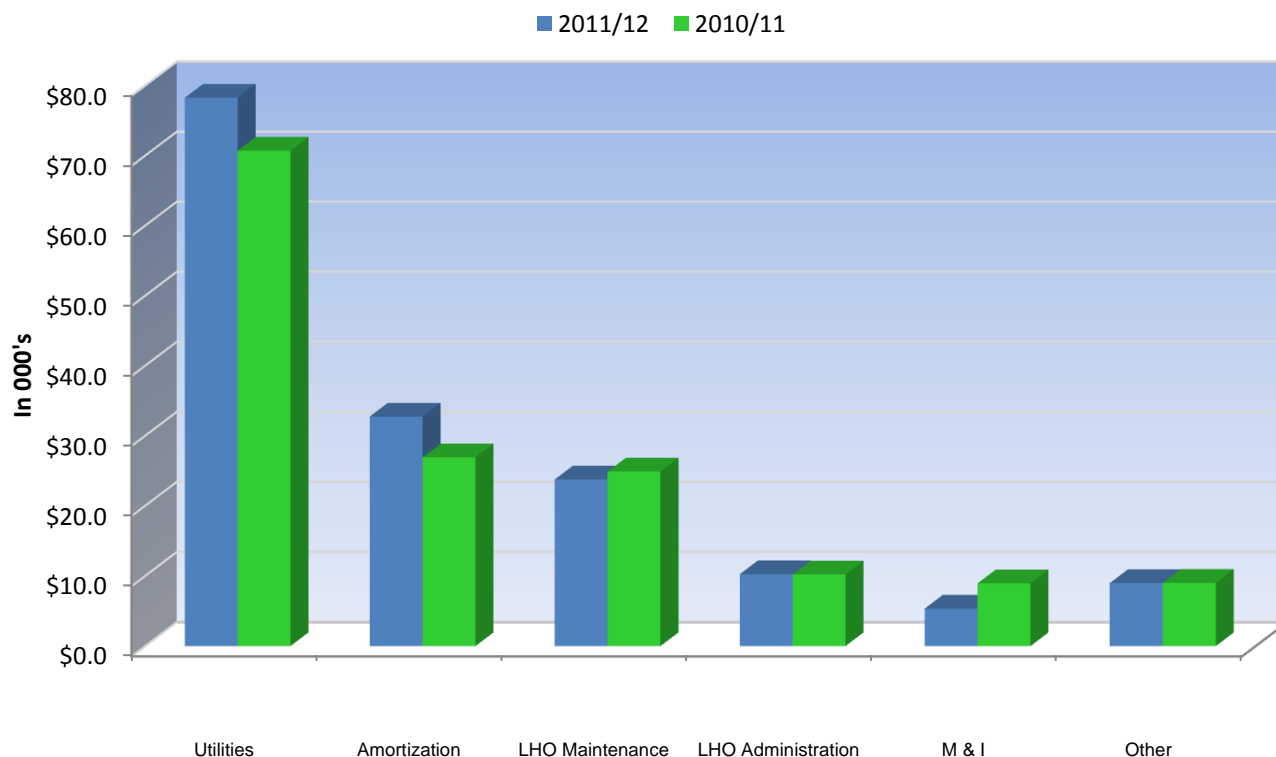
- 1 units / \$1,476 due to fire damage
- 3 units / \$100,700 were due to the units being beyond economic repair / replaced by new construction

### *Operation and Maintenance (O&M) for Social Housing*

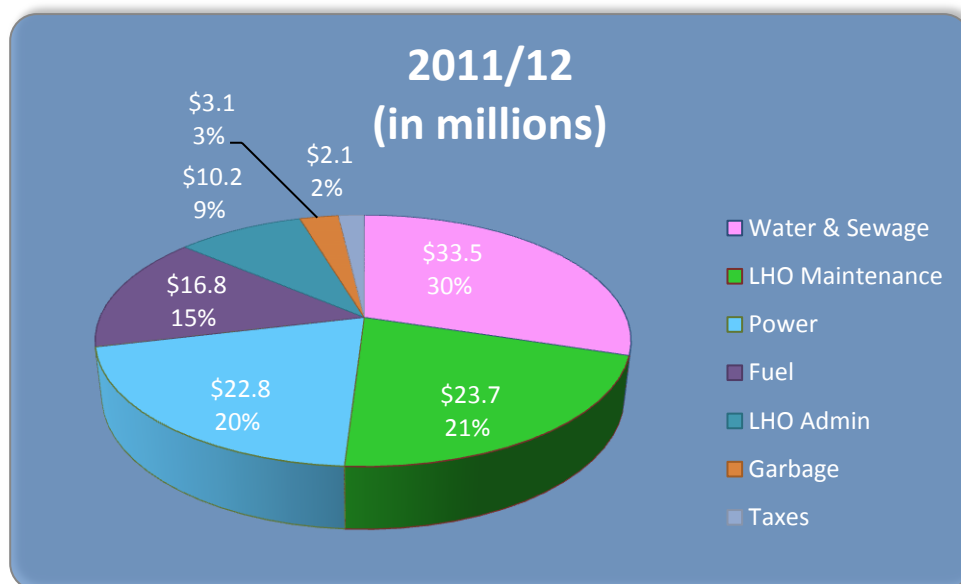
In 2011/2012 the consolidation of the LHO financial statements required a line by line reporting of the LHO results in the consolidated financial statements of the Corporation.

The Social Housing Programs now consist of a single line on the Consolidated Statement of Operations with the details outlined in Schedule B. This amount increased from \$150.641 million in 2010/2011 to \$159.270 million in 2011/2012, an increase of \$8.629 million. This increase is primarily due to the addition of new public housing units, as well as increase in the rates for both power and water.

O & M costs for public housing were as follows:



Operating costs for public housing can be further broken down as follows:



#### Average Cost Per Unit (in thousands)

Water & Sewage	\$ 6.9
Power	4.7
Fuel	3.4
Garbage	0.6
Taxes	0.4
<b>Subtotal – Utilities</b>	<b>16.0</b>
LHO Admin	2.1
LHO Maintenance	4.9
<b>Sub-total LHO</b>	<b>7.0</b>
<b>Total</b>	<b>\$ 23.0</b>

Water & Sewage costs are the largest single expense for public housing units, and are almost equal to the cost of LHO Admin & Maintenance costs combined (Average cost per unit for LHO operations is approximately \$7,000, while water & sewage is approximately \$6,900 per unit).

#### Public Housing – Capital Projects

During fiscal 2011/12, NHC entered into a 3 year cost shared funding agreement with CMHC under the Investments in Affordable Housing initiative. This agreement will provide \$1.455 million per year in additional funding from CMHC towards public housing from 2011/12 to 2013/14. In addition, a further \$10,000 per year will be provided to assist in funding building maintenance for homeless shelters.

Over the past year the Corporation saw construction continuing on public housing units. As of March 31, 2012, 691 of the 726 Nunavut Housing Trust (NHT) units were added to public housing inventory. In addition, 278 of the 285 units were added to the public housing inventory as a result of funding provided under Canada's Economic Action Plan (CEAP).

In 2011/12 the Corporation incurred \$59.204 million in costs relating to the construction of new public housing units. This included \$11.280 million under the NHT program, and \$47.924 million under the CEAP program.

#### Public Housing - Modernization & Improvement (M & I)

The Corporation is responsible for 5,067 units in the public housing portfolio. The Modernization and Improvement Program ensures the health, safety and suitability of these units. In 2011/12, \$5.341 million was used for modernization & improvements. Funding for the program came from the following sources:

- GN \$ 1,051,000
- CMHC \$ 4,290,000

## GN Staff Housing

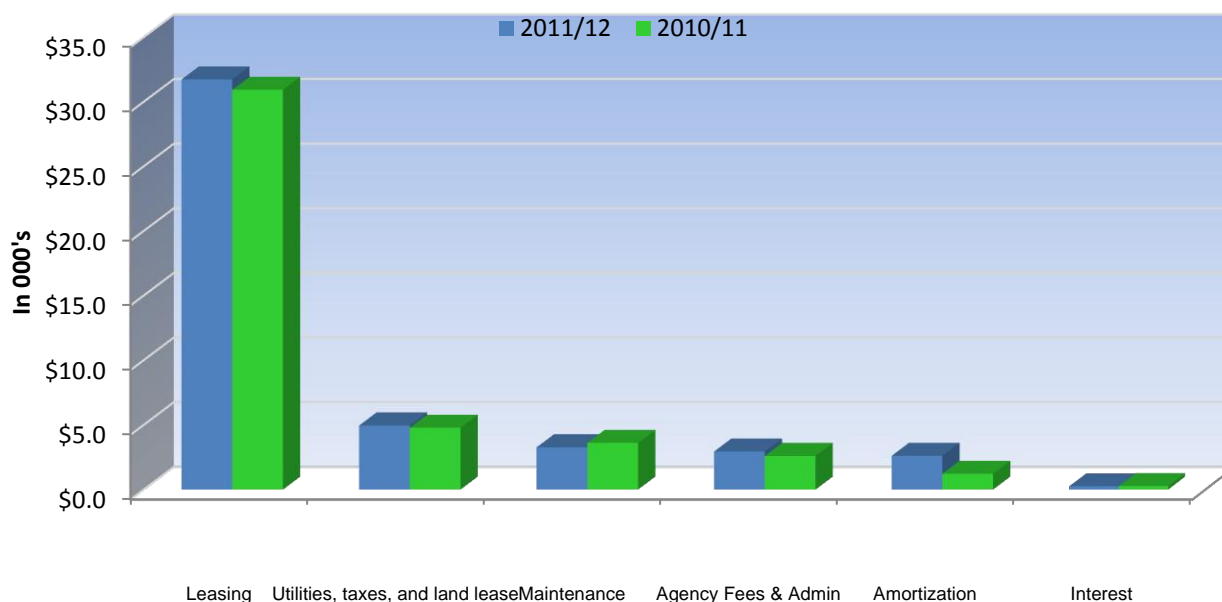
Through the GN Staff Housing Program, the Corporation provides subsidized rental units to GN staff, as well as a range of housing-related programs and services to support eligible staff.

The GN staff housing inventory is administered by the Corporation and includes over 1,330 units. Of these, 302 are owned by the Corporation; the remainder (77.3% of the staff housing portfolio) is leased. Over time, the Corporation will need to address the composition of this portfolio with a view towards rebalancing its assets. Steps are being taken to increase the range of housing options available to GN staff.

### *GN Staff Housing Program*

In 2011/12 costs related to the staff housing program increased from \$43.423 million to \$45.774 million, an increase of \$2.351 million. This was primarily due to increases in the number of units under the staff housing program, costs of utilities, and the costs of demand and preventative maintenance. Revenues for staff housing rents are collected and retained by the Government of Nunavut Department of Finance.

Staff Housing Program costs were as follows:



## Homeownership Programs

Through its Homeownership Programs and financing options, the Corporation assists eligible residents who can afford the costs of homeownership to secure and maintain their own housing.

The number of clients served under any one program depends on homeowner demand in each area/community. District Directors are charged with the responsibility of apportioning their funding appropriately. Demand for these programs is high. To ensure fairness, each district uses a priority allocation rating system to determine application approval. In 2011/12 Homeownership Programs staff received 507 applications, and approved 337 of those applications.

### *GN funded:*

- Emergency Repair (ERP) – up to \$15,000 per client
- Home Renovation (HRP) – up to \$65,000 per client
- Senior Citizen Home Repair (SCHR) – up to \$15,000 (plus shipping) per client

Nunavut Downpayment Assistance (NDAP) – provides assistance to eligible clients. In Iqaluit, Rankin Inlet and Cambridge Bay assistance is from \$30,000 for an existing unit or \$50,000 for new construction. In all other communities the amount is \$45,000 for an existing unit and \$75,000 for new construction.

Seniors and Disabled Persons Preventative Maintenance Program (SDPPMP) - provides an annual grant of up to \$1,500 to eligible seniors and disabled persons to undertake preventative maintenance on their homes.

In 2010/11 the Corporation introduced the Heating Oil Tank Replacement Program (HOTRP), which provides assistance in the form of a grant of up to \$5,000 to replace aging oil tanks.

In 2011/2012, \$2.218 million was spent on Homeownership Programs. Funding for these programs came entirely from the GN in 2011/12

*Breakdown of homeownership spending by region and by program\**

	<b>Kitikmeot</b>	<b>Kivalliq</b>	<b>Qikiqtaaluk</b>	<b>Total</b>
<b>SCHRP</b>	\$ 18,000	\$ 15,000	\$ -	\$ 33,000
<b>ERP</b>	85,000	38,000	154,000	277,000
<b>NDAP</b>	165,000	398,000	255,000	818,000
<b>HRP</b>	211,000	335,000	115,000	661,000
<b>SDPPMP</b>	17,000	-	6,000	23,000
<b>HOTRP</b>	106,000	95,000	203,000	404,000
<b>HEERP</b>	2,000	-	-	2,000
<b>TOTAL</b>	<b>\$ 604,000</b>	<b>\$ 881,000</b>	<b>\$ 733,000</b>	<b>\$ 2,218,000</b>

*\*Note: All projects were complete or in progress at year end.*

## Homelessness

### *Tunngasugvik Homeless Shelter Policy*

The Corporation created The Tunngasugvik Homeless Shelter Policy. Tunngasugvik means “a place where you are welcome”. The Policy was created in order to ensure the GN’s limited financial resources dedicated to homelessness are equitably applied across the territory.

Through this Policy, the NHC may, subject to a request or support from the Local Housing Organization, allocate an existing public housing unit to serve as a homeless facility. This allocation would help reduce overcrowding in other public housing units within the community, and allow greater access to supportive services through the shelter. The NHC will fund the associated operation and maintenance costs of the shelter through its public housing budget.

In order to be considered for homeless shelter funding or infrastructure, it must be determined there is a need for the homeless shelter within the community. An organized, non-profit society must demonstrate community support and financial resources to sustain a shelter. Applicants must also identify all of their funding sources, and demonstrate evidence of collaboration with various GN and non-GN funding agencies.

To date, the Tunngasugvik Homeless Shelter Policy applies to the only two homeless shelters operating in Nunavut, the Sivummut House for women and children, and the Uquutaq Men’s Shelter.



### *Nunavut's Homeless Population*

In order to define homelessness for Nunavut populations, we have to understand the context from which it is derived. Nunavut lacks a single definition of homelessness, and capturing what this means for Nunavummiut is crucial to identifying how it can be addressed.

Overcrowding is Nunavut's most severe housing challenge. Its impact is such that those families with several generations living in crowded conditions, without adequate housing of their own or forced to rely on benevolent friends and relatives are actually homeless. However, given how serious and widespread its impact, including the casualties of overcrowding in the definition of homelessness has the potential of overshadowing the needs of individuals facing even more drastic sheltering circumstances. In particular, individuals without access to any shelter at all or in emergency shelters, in temporary housing arrangements with family and friends (couch surfers), and those considered "at risk", with low housing security.

The Nunavut Housing Corporation has adopted a working definition of homelessness which includes the hidden homeless, those "at risk", and absolute and visible homeless.

The 2010 Nunavut Housing Needs Survey revealed that four percent (1,220) of Nunavut's population do not have a place to call home. The hidden homeless or "couch surfers" live temporarily with friends and families but are actually homeless. This results in a disproportionately large number of "hidden" homeless individuals, as many of Nunavut's households are composed this way.

Although "at risk" individuals have a place to call home, losing this security is an unfortunate reality that may not be too far away. These individuals are vulnerable to homelessness due to financial insecurities, high cost of living, lack of housing, relationship issues, or health issues. These individuals could find themselves in need of emergency shelter at any point in time.

Absolute/visible homeless individuals can be found outdoors living in makeshift sheds or huts. Though these individuals may seem low in number, their presence is keeping the two emergency shelters at or above full capacity all year round.

Currently, Nunavut does not have any alternative housing options for our homeless population. The two homeless shelters are meant to provide emergency, short-term refuge. Instead, many residents that have nowhere else to go stay long-term or permanently at the shelters. The present gaps in alternative housing options for the homeless perpetuates a cycle of dependence on these shelters, and further strains the shelters' capacity to accommodate others in need.

### *Nunavut's Homeless Shelters*

There are currently two existing Homeless Shelters in Nunavut, both of which are located in Iqaluit: The Sivummut House for women and children, a 24/7 shelter, and the Uquutaq Men's Shelter, a 16 hour/day shelter.

The Sivummut House provides short-term shelter and supportive services to women and their children who are homeless, or at immediate risk of homelessness. The shelter has capacity for up to 12 clients.

From April 1, 2011, to January 31, 2012, the Sivummut House assisted 14 women in relocating to their own housing, or into a stable housing situation, reflecting their dedication to help provide much needed transitional and independent housing structure.

For the 2011/2012 fiscal year, the Sivummut House provided a total of 4,294 client days/bed nights representing an annual occupancy rate of 98%, an increase in 17% in total occupancy over the 2010/2011 fiscal year.

The Uquutaq Shelter is a 20-bed emergency homelessness shelter and is the only shelter for men currently operating in Nunavut.

For the 2011 calendar year, the shelter averaged 536 bed nights per month with over 87 different residents utilizing the shelter; out of a possible 7,300 bed nights in the same year, 6,436 were filled, for an average annual occupancy rate of 88%.

## *Shelter Funding*

The Nunavut Housing Corporation administers the Homelessness Portfolio with a territorial budget of \$400,000. For the 2011/2012 fiscal year, the Nunavut Housing Corporation provided \$678,394 in funds to help support the operation of the homeless shelters: \$295,257 for the Sivummut House and \$383,137 for the Uquutaq Shelter. The NHC re-directed a portion of its overall budget to address this shelter funding shortfall. To date, the amount of funding provided is not meeting the financial needs of the two shelters. Other funding sources must be found.

Guided by *Tamapta*, the Government of Nunavut's Long-Term Comprehensive Housing and Homelessness Strategy ensures that our efforts in combating homelessness are deliberate and effective in responding to the needs of those who cannot otherwise access safe, affordable and secure housing.

# Consolidated Financial Statements

Management Responsibility for Financial Reporting .....	27
Auditor's Report .....	28
Consolidated Statement of Financial Position .....	31
Consolidated Statement of Operations and Accumulated Surplus .....	32
Consolidated Statement of Changes in Net Debt .....	33
Consolidated Statement of Cash Flows .....	34
Notes to the Consolidated Financial Statements .....	35





## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Nunavut Housing Corporation

### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Nunavut Housing Corporation, which comprise the consolidated statements of financial position as at 31 March 2012, 31 March 2011 and 1 April 2010, and the consolidated statements of operations and accumulated surplus, consolidated statements of changes in net debt and consolidated statements of cash flows for the years ended 31 March 2012 and 31 March 2011, 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 audits. I conducted my audits 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 in my audits is sufficient and appropriate to provide a basis for my qualified audit opinion on the financial position, results of operations and changes in net debt and my unmodified audit opinion on cash flows.



*Basis for Qualified Opinion on the Financial Position, Results of Operations and Changes in Net Debt*

Canadian public sector accounting standards require Nunavut Housing Corporation to consolidate the financial statements of twenty-four Local Housing Organizations. Inventories held for use acquired by the Local Housing Organizations are expensed in the year of acquisition. Canadian public sector accounting standards require inventories held for use to be reported as a non-financial asset when acquired and recognized as an expense when used. Local Housing Organizations' inventories were not counted at the beginning or at the end of 2012 or 2011, and I was not able to satisfy myself concerning those inventory quantities by alternative means. Since inventories impact the financial position and enter into the determination of the results of operations and changes in net debt, I was unable to determine whether any adjustments might be necessary to reported non-financial assets as at 31 March 2012, 31 March 2011 and 1 April 2010 and to the results of operations and changes in net debt for the years ended 31 March 2012 and 31 March 2011.

*Qualified Opinion on the Financial Position, Results of Operations and Changes in Net Debt*

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated statements of financial position, consolidated statements of operations and accumulated surplus and consolidated statements of changes in net debt present fairly, in all material respects, the financial position of Nunavut Housing Corporation as at 31 March 2012, 31 March 2011 and 1 April 2010, and the results of its operations and changes in its net debt for the years ended 31 March 2012 and 31 March 2011 in accordance with Canadian public sector accounting standards.

*Opinion on the Cash Flows*

In my opinion, the consolidated statements of cash flows present fairly, in all material respects, the cash flows of Nunavut Housing Corporation for the years ended 31 March 2012 and 31 March 2011 in accordance with Canadian public sector accounting standards.

**Report on Other Legal and Regulatory Requirements**

As required by the *Financial Administration Act* of Nunavut, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the adoption of the new standards as explained in Note 2 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by Nunavut Housing Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of Nunavut Housing Corporation that have come to my notice during my audits of the consolidated financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Housing Corporation Act* and regulations and the by-laws of Nunavut Housing Corporation and other directives given to Nunavut Housing Corporation, with the exception

that Nunavut Housing Corporation did not meet its statutory deadline for submitting its annual report as described in the following paragraph.

Section 100(1) of the *Financial Administration Act* of Nunavut requires Nunavut Housing Corporation to submit its annual report to its Minister not later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days that the Minister of Finance may allow. Nunavut Housing Corporation did not meet its statutory deadline for submitting its annual report to its Minister for the current fiscal year.

A handwritten signature in black ink that reads "Tammy Squires". The signature is written in a cursive, flowing style.

Tammy Squires, CA  
Principal  
for the Auditor General of Canada

22 November 2012  
Ottawa, Canada

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(in thousands of dollars)

	<u>March 31, 2012</u>	<u>March 31, 2011</u>	<u>April 1, 2010</u>
<b>Financial Assets</b>			
Cash and Cash Equivalents (Note 4)	\$ 55,533	\$ 62,938	\$ 34,486
Accounts Receivable (Note 6)	12,421	18,653	37,720
Portfolio Investments (Note 5)	6,627	6,643	9,144
Mortgage Receivable (Note 7)	1,710	1,932	2,452
Due From Government of Nunavut (Note 9)	618	27	226
Direct Financing Lease Receivable	357	369	381
<b>Total Financial Assets</b>	<b>77,266</b>	<b>90,562</b>	<b>84,409</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities (Note 8)	38,248	36,278	39,190
Security Deposits	399	381	311
Capital Funding Advanced (Note 10)	24,405	46,029	23,383
Long-Term Debt (Note 11)	16,387	17,436	18,415
Capital Lease Obligations (Note 12)	13,115	16,675	20,102
Employee Future Benefits (Note 13)	1,558	1,124	829
Deferred Capital Funding (Note 14)	610,909	578,699	498,433
<b>Total Liabilities</b>	<b>705,021</b>	<b>696,622</b>	<b>600,663</b>
<b>Net Debt</b>	<b>(627,755)</b>	<b>(606,060)</b>	<b>(516,254)</b>
<b>Non-Financial Assets</b>			
Tangible Capital Assets (Schedule C)	644,211	615,741	527,338
Prepaid Expenses	79	61	87
<b>Total Non-Financial Assets</b>	<b>644,290</b>	<b>615,802</b>	<b>527,425</b>
<b>Accumulated Surplus</b>	<b>\$ 16,535</b>	<b>\$ 9,742</b>	<b>\$ 11,171</b>

Contingencies (Note 17)  
Contractual obligations (Note 18)

Approved by Management:



Alain Barriault  
President



Lori Kimball, CGA  
Chief Financial Officer

*The accompanying notes and schedules are an integral part of these consolidated financial statements*



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31**  
(in thousands of dollars)

	Budget 2012	Actual 2012	Actual 2011
<b>Generated Revenues</b>			
Social Housing Rental Revenue	\$ 10,477	\$ 12,976	\$ 11,954
Other Revenue and Recoveries (Schedule A)	3,790	4,071	4,437
<b>Total Generated Revenues</b>	14,267	17,047	16,391
<b>Expenses</b>			
Social housing program (Schedule B)	161,492	159,270	150,641
Staff housing program (Schedule B)	45,325	45,774	43,423
Corporate Administration (Schedule B)	16,415	17,171	20,674
Homeownership programs	6,388	2,218	3,352
Homelessness	400	678	911
<b>Total Expenses</b>	230,020	225,111	219,001
<b>Net results of operations before government funding</b>	(215,753)	(208,064)	(202,610)
<b>Government Funding</b>			
Transfers from Government of Nunavut	157,403	151,422	145,223
Amortization of deferred capital funding (Note 14)	30,924	31,422	24,116
Transfers from Canada Mortgage and Housing Corporation (CMHC) (Note 16)	28,077	29,302	30,857
Deferred Capital on Disposal of Tangible Capital Assets	-	2,776	-
Other government funding	-	(65)	985
<b>Total Government Funding</b>	216,404	214,857	201,181
<b>Surplus (deficit) for the year</b>	651	6,793	(1,429)
<b>Accumulated Surplus, opening</b>	9,742	9,742	11,171
<b>Accumulated Surplus, closing</b>	\$ 10,393	\$ 16,535	\$ 9,742

*The accompanying notes and schedules are an integral part of these consolidated financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
FOR THE YEAR ENDED MARCH 31**

(in thousands of dollars)

	<b>Budget 2012</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Surplus (deficit) for the year</b>	\$ 651	\$ 6,793	\$ (1,429)
Tangible capital assets (Schedule C)			
Additions	(62,951)	(66,400)	(120,004)
Disposals	-	2,583	3,461
Amortization	34,881	35,347	28,140
	(27,419)	(21,677)	(89,832)
Net (addition) use of prepaid expenses	-	(18)	26
<b>Change in Net Debt</b>	(27,419)	(21,695)	(89,806)
<b>Net Debt, opening</b>	(606,060)	(606,060)	(516,254)
<b>Net Debt, closing</b>	<b>\$ (633,479)</b>	<b>\$ (627,755)</b>	<b>\$ (606,060)</b>

*The accompanying notes and schedules are an integral part of these consolidated financial statements*

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31**  
(in thousands of dollars)

	<b>2012</b>	<b>2011</b>
<b>Cash provided by (used for) operations</b>		
Transfers from Government of Nunavut	\$ 148,607	\$ 142,083
Transfers from CMHC	29,302	30,857
Transfers from Infrastructure Canada	985	3,452
Rent collections	13,332	10,333
Miscellaneous revenue and recoveries	1,653	4,570
Contributions for social housing	(124,867)	(113,595)
Staff housing	(40,981)	(41,325)
Administration	(15,294)	(18,349)
Homeownership grants and contributions	(1,492)	(3,585)
Homelessness	(678)	(911)
Interest payments on long term debt	(1,236)	(1,306)
Interest payments on capital leases	(1,249)	(1,526)
Capital lease executory costs	(1,232)	(1,232)
Interest earned on mortgage receivable	81	86
<b>Cash provided by operations</b>	<b>6,931</b>	<b>9,552</b>
<b>Cash (used for) provided by capital activities</b>		
Tangible capital asset acquisitions	(67,162)	(124,311)
Proceeds received on disposals of tangible capital asset	2,410	54
Funding from Government of Nunavut	53,718	69,202
Funding from CMHC	-	74,370
<b>Cash (used for) provided by capital activities</b>	<b>(11,034)</b>	<b>19,315</b>
<b>Cash used for financing activities</b>		
Principal payments on long-term debt	(1,049)	(979)
Principal payments on capital lease obligations	(3,560)	(3,427)
<b>Cash used for financing activities</b>	<b>(4,609)</b>	<b>(4,406)</b>
<b>Cash provided by investing activities</b>		
Redeemed investments	-	2,396
Recovery of homeowner's assistance	194	541
Mortgage payments received	1,113	1,054
<b>Cash provided by investing activities</b>	<b>1,307</b>	<b>3,991</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(7,405)</b>	<b>28,452</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>62,938</b>	<b>34,486</b>
<b>Cash and cash equivalents - end of the year (Note 4)</b>	<b>\$ 55,533</b>	<b>\$ 62,938</b>

*The accompanying notes and schedules are an integral part of these consolidated financial statements.*

**1. PURPOSE OF THE ORGANIZATION**

The Nunavut Housing Corporation (the Corporation), established under the *Nunavut Housing Corporation Act*, is a territorial corporation as defined under the *Financial Administration Act*. The Corporation is exempt from income tax but is subject to goods and services tax.

The Corporation is committed to working in partnership with communities and to providing opportunities for communities to become accountable for their own choices and delivery of housing programs. Through this partnership, opportunities are provided to community residents to have homes that support a healthy, secure, independent and dignified lifestyle. The Corporation's principal objective is to develop, maintain and manage social and staff housing programs in the Nunavut Territory.

Pursuant to provisions in the *Nunavut Housing Corporation Act*, the Corporation is dependent upon the Government of Nunavut (GN), either directly or indirectly, through guarantees, for the funds required to finance the net cost of its operations and for capital projects.

**2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS**

Commencing with the 2011/12 fiscal year, Nunavut Housing Corporation has adopted Canadian public sector accounting standards (PSAS). These consolidated financial statements are the first consolidated financial statements for which the Corporation has applied Canadian public sector accounting standards.

The adoption of PSAS is accounted for by retroactive application with restatement of prior periods. The following is a summary of the main qualitative differences for the Corporation between its previous and current financial statements:

- The March 31, 2011 Balance Sheet has been replaced by the Statement of Financial Position, segregating financial and non-financial assets as well as the net debt (liabilities less financial assets) of the Corporation; and accumulated surplus at the Statement of Financial Position date.
- The Statement of Operations and Comprehensive Income, Consolidated Statement of Surplus for the year ended March 31, 2011 have been replaced by the Statement of Operations and Accumulated Surplus. A comparison of the current year results with the original comparative budget is also disclosed.
- A Statement of Change in Net Debt has been presented, which represents the expenditures of a public sector reporting entity less revenue, as well as acquisitions of tangible capital assets and other items explaining the difference between the surplus/deficit for the period and the change in net debt for the period. A comparison of the current year results with the original comparative budget is also disclosed.
- The Statement of Cash Flows along with some reclassifications has been expanded to include a new category required by PSAS for capital activities.

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

The following summarizes the transition adjustments made to the balances reported by the Corporation under its previous basis of accounting.

March 31, 2010 - Surplus balance, as previously reported	\$ 11,158
Plus: Fixed term investments adjusted from fair market value to cost basis	<u>13</u>
April 1, 2010 - Accumulated surplus balance	<u>\$ 11,171</u>
Net results of operations and comprehensive income for the year ended	
March 31, 2011, as previously reported	\$ (1,324)
Plus: Adjustment of Fixed term investments from fair market value to cost basis	<u>(105)</u>
Annual surplus (deficit) for the year ended March 31, 2011	<u>\$ (1,429)</u>
March 31, 2011 Accumulated surplus balance	<u>\$ 9,742</u>
March 31, 2010 - Fixed term investments, as previously reported	\$ 9,131
Plus: Adjustment from fair market value to cost basis	<u>13</u>
April 1, 2010 - Fixed term investments	<u>\$ 9,144</u>
March 31, 2011 - Fixed term investments, as previously reported	\$ 6,735
Plus: Adjustment from fair market value to cost basis	<u>(92)</u>
March 31, 2011 - Fixed term investments	<u>\$ 6,643</u>

As part of the conversion to Public Sector Accounting Standards, the Corporation also had the option of electing to early adopt the new Accounting Standard PS 3450 associated with Financial Instruments. The Corporation has chosen not to early adopt this standard.

The Corporation has elected to use the following exemptions under PS 2125, First Time Adoption by Government Organizations:

### a) Tangible capital asset impairment

Section PS 3150, indicates the conditions when a write-down of a tangible capital asset should be accounted for. A first-time adopter need not comply with those requirements for write-downs of tangible capital assets that were incurred prior to the date of transition to PSA Standards. If a first-time adopter uses this exemption, the conditions for a write-down of a tangible capital asset in Section PS 3150 are applied on a prospective basis from the date of transition. The Corporation is using this exemption.

### b) Retirement and Post Employment Benefits

The Corporation has elected the exemption in paragraph PS 2125.09 to delay application of Sections PS 3250 and PS 3255 relative to the discount rate used until the date of their next actuarial valuation or within three years of the transition date to Public Sector Accounting Standards, whichever is sooner. And to recognize all cumulative actuarial gains and losses as the date of transition to Public Sector Accounting Standards directly in accumulated surplus.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The Corporation's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The following is a summary of the significant accounting policies.

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### (a) Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and the accounts of controlled Local Housing Associations and Authorities (LHOs). The consolidated financial statements include the accounts of the Corporation and 24 LHOs (2011 - 24 LHOs) that are fully consolidated.

The following LHOs comprise the reporting entity represented by these consolidated financial statements. All of the organizations have March 31 year ends.

Arctic Bay Housing Association	Kimmirut Housing Association
Arviat Housing Association	Kugluktuk Housing Association
Baker Lake Housing Association	Pangnirtung Housing Association
Cambridge Bay Housing Association	Pond Inlet Housing Association
Chesterfield Inlet Housing Association	Qikiqtarjuaq Housing Association
Clyde River Housing Association	Rankin Inlet Housing Association
Coral Harbour Housing Association	Repulse Bay Housing Association
Grise Fiord Housing Association	Resolute Bay Housing Association
Hall Beach Housing Association	Qammaq (Sanikluluaq) Housing Association
Igloolik Housing Association	Taloyoak Housing Authority
Iqaluit Housing Authority	Tasiurqtit (Whale Cove) Housing Association
Kikitak (Gjoa Haven) Housing Association	Kugaaruk Housing Authority (consolidated effective April 1, 2010)

All entities included in the reporting entity are fully consolidated on a line-by-line basis. Significant transactions and balances between consolidated entities are eliminated.

The Hamlet of Cape Dorset is responsible for housing services in the community of Cape Dorset. As a result, this entity is not consolidated with the Nunavut Housing Corporation as it is considered to be part of separate level of government and thus should be excluded from the reporting entity of any other government or government organization.

### (b) Contributions for social housing

Housing units owned or leased by the Corporation are operated by local housing associations, authorities, and municipalities (hamlets) under agreements.

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

### (c) Revenue recognition

Legislative appropriations are restricted subject to the provisions of Section 20 of the *Nunavut Housing Corporation Act*, Part IX of the *Financial Administration Act*, and an Agreement between the Corporation and the Government of Nunavut. Accordingly, appropriations received are recognized as revenue in the year in which the funding is authorized.

Capital appropriations are recorded in the year authorized. Capital appropriations used to purchase depreciable capital assets are recorded as deferred capital funding in the year in which the related expenditures are incurred and are amortized on the same basis and over the same period as the related capital assets. The unused portion is recorded as capital funding advanced and is recognized as deferred capital funding when used. The funds used for long term debt principal repayments are reported on the Consolidated Statement of Operations and Accumulated Surplus as transfers from the Government of Nunavut.

Social housing rental revenue is recognized on an accrual basis. An allowance is established for any amounts deemed not recoverable.

Federal funding from Canada Mortgage and Housing Corporation (CMHC) is restricted under provisions of the Social Housing Agreement. Accordingly, federal funding is recognized as revenue in the year in which the related expenses are incurred. Federal funding for the repayment of loans towards the purchase of capital assets approximates the annual amortization expense of these assets and are

recognized in the year received.

Federal funding from CMHC, provided under the Affordable Housing Program agreement and from Infrastructure Canada, are used for the capital costs of housing units built under these programs.

Finance income related to the direct financing lease for the Commissioner of Nunavut's Residence is recognized in a manner that produces a constant rate of return on the investment in the lease. The investment in the lease is composed of net minimum lease payments less unearned finance income. This amount is included in other revenue and recoveries on the Consolidated Statements of Operations and Accumulated Surplus.

**(d) Cash and cash equivalents**

Cash and cash equivalents are comprised of bank account balances (net of outstanding cheques), and short-term highly liquid investments that are readily convertible to cash and usually have a maturity date of 90 days or less from the date of acquisition.

**(e) Portfolio investments**

Portfolio investments are long term investments in organizations that do not form part of the Corporation reporting entity and are accounted for by the cost method. Where 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, which is included as a component of investment income. Interest income is recorded on the accrual basis.

**(f) Tangible capital and leased assets**

Tangible capital assets are recorded at cost. Mobile equipment includes transportation type vehicles. Amortization is provided using the following methods and annual rates:

Office furniture, equipment and mobile equipment - Declining balance - 20%.

Warehouses and offices - Declining balance - 5%.

Equity land leases and leasehold improvements are amortized on a straight-line basis over the term of the leases. Equity Land Leases are land that is owned by the municipalities which NHC leases the right to use the land for a period of 30 years.

Land and buildings constructed or purchased by the Corporation for the rental portfolio are stated at cost. Buildings transferred to the Corporation from CMHC or by the Government of Nunavut, are stated at their respective book value when transferred. Construction in progress includes amounts which may be transferred to social housing, staff housing, or offices & warehouses and are carried at cost. Construction in progress and housing for sale include amounts that may be transferred to homeowners and a mortgage taken back against the property. These properties are carried at cost.

Social and staff 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 calculated using the effective interest method and is included in interest on long term debt.

Amortization of social housing, lease to purchase housing and staff housing is done using the declining balance method at an annual rate of 5%. The provisions for amortization begin in the year the building is completed and transferred into one of the depreciable asset categories and are taken for the full year.

Housing for sale and construction in progress are not amortized.

A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer title back to the Corporation for a nominal fee. The amortized cost of quit claim units included in investment in housing are determined to be the original purchase price less amortization from the original purchase date to the date the quit claim occurred.

**(g) Investments in housing projects - mortgages receivable**

**(i) Mortgages subsidies**

The Corporation, under section 44(1) of its Act, subsidizes principal and interest payments due from homeowners under the legal terms and conditions of mortgages. These subsidies vary in amount depending on the income of the mortgagees. Subsidies are expensed in the Consolidated Statement of Operations and Accumulated Surplus in the year the mortgage is approved and are recorded as mortgage subsidies.

Accordingly, the mortgage receivable balance represents the present value of the expected future payments from clients on the mortgages, net of an allowance for impairment.

Subsequent changes to the amount of the subsidy provided, resulting from changes in income of the mortgagee, are recognized as a revenue or expense in the year the changes occur.

**(ii) Allowance for impaired mortgages**

Mortgages are considered impaired when deterioration in credit quality has occurred and there is reasonable doubt as to the timely collection of principal and interest. A mortgage is considered impaired when a payment is six months in arrears. An allowance is established to reduce the carrying value of mortgages specifically identified as impaired to net realizable value. Management has determined that a realizable value of zero to all impaired mortgages is appropriate as there has been a deterioration in credit quality to the extent that there is no longer reasonable assurance of the timely collection of the principal or interest. Impaired mortgages would be restored to performing status only when payments have been received for those amounts in arrears, and there is reasonable assurance of full and timely collection of principal and interest. These restored mortgages are accounted for as recovery of the provision for impaired mortgages on the Consolidated Statement of Operations and Accumulated Surplus.

Initial and subsequent changes in the amount of mortgage impairment are recorded in the year the changes occur.

**(h) Mortgage interest revenue**

Interest income on mortgages is recorded on an accrual basis. When a mortgage becomes impaired, the accrual of interest ceases and any previously accrued but unpaid interest is reversed against mortgage interest revenue. Thereafter, interest income is recognized on a cash basis, but only after prior write-offs arising from credit losses and the allowance for impairment have been recovered.

**(i) Public Service Pension Plan**

Eligible employees of the Corporation are covered by the Public Service Pension ("the Plan"), a contributory defined benefit plan established through federal legislation and sponsored by the Government of Canada. Employees of the LHOs are not employees of the public service and therefore do not participate in the Plan. Contributions are required by both the employees and the Corporation to cover the current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when the employees have rendered service and represent the total pension obligation of the Corporation.

**(j) Employee future benefits**

Under the conditions of employment, eligible employees may earn non-pension benefits for resignation, retirement and removal costs based on the years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service and has been determined based on management's assumptions and best estimates. The Corporation provides severance and retirement benefits to eligible employees based on years of service and final salary, and removal benefits based on years of services and their community of residence. These benefits represent the only employee future benefit obligation of the Corporation that entails settlement by future payment.



**(k) Measurement uncertainty**

The preparation of financial statements requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues, expenses and disclosures of contingent liabilities reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Corporation believes the estimates and assumptions to be reasonable. Where actual results differ from these estimates and assumptions, the impact will be recorded in periods in which the actual results become known.

The more significant management estimates and assumptions include those related to employee future benefits, valuation of tangible capital assets, contingencies, amortization expenses, and valuation of allowances for impairments and subsidies on mortgages.

**(l) Due (to)/from Government of Nunavut**

The Government of Nunavut makes an appropriation to the Corporation to fund its non-consolidated operations and principal repayments of long term debt. The amount of funding recorded in the consolidated financial statements is dependent upon actual expenses incurred for the year. Amounts appropriated in excess of the actual expenses at year-end are carried forward as a non-interest-bearing advance for the following year. Amounts spent in advance of the funding are normally due from the Government of Nunavut and are normally carried forward to be funded from future year's funding unless otherwise directed by the Financial Management Board.

**(m) Capital funding advanced**

The Government of Nunavut makes an appropriation to the Corporation for its non-consolidated capital acquisitions, modernizations and improvements, homeownership programs and other costs. The amount of funding expended is either recorded as capital acquisitions or minor capital expenditures during the year. The amount appropriated in excess of those expended is recorded as capital funding advanced.

**(n) Services provided without charge**

The Corporation receives payroll processing services, human resource support, information technology support, office accommodations and employee benefits without charge from the Government of Nunavut which are recorded in the financial statements at the Corporation's proportionate share of the carrying amount of the GN costs.

**(o) Inventories**

Inventories are expensed in the year in which they are acquired.

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### 4. CASH AND CASH EQUIVALENTS

	March 31, 2012	March 31, 2011	April 1, 2010
Cash on hand	\$ 30,938	\$ 43,036	\$ 8,020
Short-term investments	24,595	19,902	26,466
	<u>\$ 55,533</u>	<u>\$ 62,938</u>	<u>\$ 34,486</u>

Cash and cash equivalents include investments in the short-term money market. The portfolio yield for the year ended March 31, 2012 ranged from 0.76% to 1.42% (2011 - 0.12% to 1.46%, April 1, 2010 – 0.11% to 0.34%), with an average term to maturity of 30 days (2011 - 75 days, April 1, 2010 – 23 days).

### 5. PORTFOLIO INVESTMENTS

Portfolio investments include the following at March 31.

	Effective Rate of Return	Term to Maturity	March 31, 2012	Carrying Value March 31, 2011	April 1, 2010
Government of Canada notes and bonds	Variable	1 to 3 Years	\$ 1,026	\$ 1,026	\$ 1,026
Provincial Government notes and bonds	4.36%	1 to 7 years	5,601	5,617	8,118
			<u>\$ 6,627</u>	<u>\$ 6,643</u>	<u>\$ 9,144</u>

The market value of the portfolio investments at March 31, 2012 was \$7,049 (2011 - \$6,735, April 1, 2010 – 9,131), with an average yield in 2012 of 4.36% (2011 - 4.36%, April 1, 2010 – 4.36%).

### 6. ACCOUNTS RECEIVABLE

	March 31, 2012	March 31, 2011	April 1, 2010
<b>Receivable from related parties</b>			
Due from Government of Nunavut	\$ 2,251	\$ 7,851	\$ 601
<b>Other receivables</b>			
Tenant accounts receivable	20,955	18,960	16,400
Trade and other accounts receivable	5,485	5,466	6,758
Canada Mortgage and Housing Corporation	3,318	2,621	25,192
Local Housing Organizations (Hamlets)	515	516	778
Can Nor receivable	-	985	-
Infrastructure Canada	-	-	3,452
	<u>32,524</u>	<u>36,399</u>	<u>53,181</u>
Less: Allowance for doubtful accounts	20,103	17,746	15,461
	<u>\$ 12,421</u>	<u>\$ 18,653</u>	<u>\$ 37,720</u>

## Nunavut Housing Corporation

### Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

#### 7. MORTGAGE RECEIVABLE

	March 31, 2012	March 31, 2011	April 1, 2010
Mortgage bearing interest at rates varying between 5.19% and 14.25% per annum, repayable over a maximum period of 25 years	\$ 24,619	\$ 26,722	\$ 29,808
Less: Subsidy amount by the Corporation	(8,127)	(14,418)	(20,472)
Less: Allowance for impairment	(14,782)	(10,372)	(6,884)
	1,710	1,932	2,452
Interim financing loans bearing interest at rates varying between 8.95% and 10.5% per annum, repayable over a maximum period of 5 years	500	454	412
Less: Subsidy amount by the Corporation	(379)	(333)	(291)
Less: Allowance for impairment	(121)	(121)	(121)
	\$ 1,710	\$ 1,932	\$ 2,452

The recorded value of those mortgages specifically identified as being impaired is \$14,903 as at March 31, 2012 (2011 - \$10,493, April 1, 2010 - \$7,005).

The carrying amounts of mortgage receivable should not be seen as the realizable value on immediate settlement of these mortgages due to the uncertainty associated with such a settlement. Mortgages are secured with the corresponding property.

Conditional grants have been provided by the Corporation to eligible homeowners, which are fully forgivable based on the conditions specific to each program. If the conditions are not met, the grants are repayable to the Corporation. The conditional grants of \$1,789 (2011 - \$2,864) were expensed on the statement of operations during the year.

#### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2012	March 31, 2011	April 1, 2010
<b>Payable to related parties</b>			
Government of Nunavut	\$ 13,954	\$ 13,642	\$ 12,562
<b>Other payables</b>			
Trade payable	21,958	20,221	24,293
Local Housing Organizations(Hamlets)	770	885	936
Accrued interest payable	291	294	326
Accrued wages and employee benefits	1,275	1,236	1,073
	\$ 38,248	\$ 36,278	\$ 39,190

#### 9. DUE FROM GOVERNMENT OF NUNAVUT

	March 31, 2012	March 31, 2011	April 1, 2010
Receivable (payable) at beginning of the year	\$ 27	\$ 226	\$ (3,934)
Operating funds received from GN	(147,043)	(135,267)	(128,318)
Services provided without charge	(2,351)	(3,339)	(2,378)
Cost of operations funded by GN	151,422	145,223	141,873
Capital funding used for modernization and improvements, homeownership programs and other costs	(1,437)	(6,816)	(7,017)
Receivable at end of the year	\$ 618	\$ 27	\$ 226

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### 10. CAPITAL FUNDING ADVANCED

	GN	CMHC & Other	Total March 31, 2012	Total March 31, 2011	Total April 1, 2010
Payable at beginning of the year	\$ (24,903)	\$ (21,126)	\$ (46,029)	\$ (23,383)	\$ (63,714)
Capital funding contributions	(47,894)	(5,890)	(53,784)	(140,596)	(82,756)
Transfer from Capital to Operations	-	1,683	1,683	-	-
Capital funding used for acquisitions	46,955	19,443	66,398	105,705	106,330
Capital funding used for repairs, maintenance, grants and other costs	1,437	5,890	7,327	12,245	16,757
Payable at end of the year	\$ (24,405)	\$ -	\$ (24,405)	\$ (46,029)	\$ (23,383)

### 11. LONG-TERM DEBT

	March 31, 2012		March 31, 2011	April 1, 2010
	Debt Balance	CMHC Funded Portion	Net Debt Balance	Net Debt Balance
Mortgages payable to CMHC (NHA Old Section 79 debt), repayable in monthly or quarterly installments, maturing from 2012 to 2032 at interest rates from 9.5% to 19.75% (2011 - 9.5% to 19.75%, April 1, 2010 - 9.5% to 19.75%).	\$ 62,626	\$ (62,626)	\$ -	\$ -
Mortgages payable to CMHC (NHA New Section 79 debt), repayable in monthly or quarterly installments, maturing from 2012 to 2032 at interest rates from 4.45% to 19.75% (2011 - 4.45% to 19.75%, April 1, 2010 - 4.45% to 19.75%).	\$ 7,482	\$ (7,482)	\$ -	\$ -
Loans payable to CMHC, repayable in annual installments until the year 2032, bearing annual interest of 6.97% (2011 - 6.97%, April 1, 2010 - 6.97%). The loans are guaranteed by the Government of Nunavut.	\$ 36,871	\$ (20,484)	\$ 16,387	\$ 17,436
	\$ 106,979	\$ (90,592)	\$ 16,387	\$ 18,415

## Nunavut Housing Corporation

### Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

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

	Principal	Interest	Total
2013	\$ 1,123	\$ 1,162	\$ 2,285
2014	1,203	1,082	2,285
2015	1,288	997	2,285
2016	1,379	906	2,285
2017	1,374	808	2,182
2018 to 2032	10,020	4,811	14,831
	<u>\$ 16,387</u>	<u>\$ 9,766</u>	<u>\$ 26,153</u>

Under the terms of the 1999 Social Housing Agreement (SHA), Canadian Mortgage and Housing Corporation originally provided funding to the Corporation to build social housing assets in the form of long-term mortgages payable to CMHC (referred to as National Housing Act section 79 debt under the SHA) and loans payable to CMHC (referred to as NHC section 82 debt under the SHA). Under the SHA, the funding provided to the Corporation was used to reduce 100% of the NHC section 79 debt and reduce by 5/9th of the NHC section 82 debt, and to fund the related interest repayments that the Corporation would make each year to CMHC. This 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.

The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable.

As the funding from CMHC and the corresponding repayments of long-term debt are non-cash transactions, they have not been recorded in the Consolidated Statement of Cash Flows.

The provisions of the Social Housing Agreement state that an audit to determine compliance with the Agreement must be completed no later than six months after the year end. Although the Corporation has filed the results of the compliance audit, the six month deadline was not met.

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

## 12. CAPITAL LEASE OBLIGATIONS

The Nunavut Housing Corporation is committed to forty-five lease agreements for housing units that support the Social and Staff Housing Programs. These lease agreements are based on implicit interest rates varying from 4.85% to 10.75% (2011 - 4.85% to 10.75%) and have expiry dates ranging from 2013 to 2025. The lease payments may be renegotiated every five years for changes in specific operating costs such as interest rates and cost of utilities. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	Future Minimum Lease Payments	Executory Costs	Imputed Interest	Lease Obligation
2013	\$ 6,040	\$ 1,232	\$ 918	\$ 3,890
2014	5,363	1,090	568	3,705
2015	2,641	476	294	1,871
2016	627	26	206	395
2017	627	26	181	420
2018 to 2025	3,426	24	568	2,834
Total	<u>\$ 18,724</u>	<u>\$ 2,874</u>	<u>\$ 2,735</u>	<u>\$ 13,115</u>

Interest expense related to capital lease obligations for the year was \$1,248 (2011 - \$1,544).

## Nunavut Housing Corporation

### Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

#### 13. EMPLOYEE FUTURE BENEFITS AND PUBLIC SERVICE PENSION PLAN

##### Pension

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. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees required contribution. The general contribution rate effective at year end was 1.74 times (2011 - 1.86 times; April 1, 2010 - 1.94 times). Total Contributions of \$992 (2011 - 975, April 1, 2010 - 761) were recognized as expense in the current year.

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 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

The Corporation's and employees' contribution to the Plan for the year were as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Employer's contribution	\$ 992	\$ 975	\$ 761
Employees' contribution	538	507	398

##### Non-pension

The Corporation provides severance and retirement benefits to eligible employees based on years of service and final salary, and removal benefits based on years of service and their community of residence. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future appropriations. The accrued obligations at year end are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Accrued benefit obligation, beginning of the year	\$ 2,360	\$ 1,902	\$ 1,740
Costs for the year (net of benefits paid)	473	458	162
Accrued benefit obligation, end of the year	2,833	2,360	1,902
Less: Employee leave benefits in accounts payable and accrued liabilities	(1,275)	(1,236)	(1,073)
<b>Total Employee Future Benefits</b>	<b>\$ 1,558</b>	<b>\$ 1,124</b>	<b>\$ 829</b>

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### 14. DEFERRED CAPITAL FUNDING

Deferred capital funding is made up of the following totals:

	March 31 2012	March 31, 2011
<b>Government of Nunavut:</b>		
Balance, beginning of year	\$ 406,037	\$ 386,293
Funding used to acquire depreciable capital assets	46,955	36,096
Adjustment to, and disposal of, depreciable capital assets	(2,766)	(1,323)
Amortization of deferred capital funding	(21,817)	(15,029)
Balance, end of year	428,409	406,037
<b>Canada Mortgage and Housing Corporation:</b>		
Balance, beginning of year	172,662	112,140
Funding used to acquire depreciable capital assets	19,443	69,609
Amortization of deferred capital funding	(9,605)	(9,087)
Balance, end of year	182,500	172,662
<b>Total deferred capital funding</b>	<b>\$ 610,909</b>	<b>\$ 578,699</b>

### 15. FINANCIAL RISK MANAGEMENT

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit risk through its short term investments, portfolio investments, accounts receivable and mortgages receivable.

Accounts receivable are generally due in 30 days and interest is charged after 60 days at the rate disclosed in the terms and conditions of service. The Corporation utilizes an allowance account for potential credit losses related to accounts receivable.

Allowance for Doubtful Accounts:

	Tenant	Trade & Other	Total 2012	Total 2011
Balance, beginning of the year	\$ 16,501	\$ 1,245	\$ 17,746	\$ 15,461
Increase in the allowance account	1,994	363	2,357	2,285
Balance, end of the year	\$ 18,495	\$ 1,608	\$ 20,103	\$ 17,746

The aging analysis of tenant accounts receivable is as follows:

	Current	Past due 31 - 90 days	Past due > 90 days	Total 2012	Total 2011
Tenant Receivable	\$ 670	\$ 1,238	\$ 19,047	\$ 20,955	\$ 18,960
Less: Allowance	-	(411)	(18,084)	(18,495)	(16,501)
Total Tenant Receivable	\$ 670	\$ 827	\$ 963	\$ 2,460	\$ 2,459

## Nunavut Housing Corporation

### Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

With respect to accounts receivable past due but not impaired, based on credit history and credit ratings, there are no indications that customers will not be able to meet their obligations.

The Corporation manages its credit risk surrounding cash and cash equivalents by dealing with senior Canadian chartered banks. The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements.

Mortgage credit risk arises from the possibility that clients might be unable to fulfill their obligation under their mortgage contract. This risk is mitigated by verifying employment status and income, and by performing a credit assessment, which includes ensuring there are no rent arrears with LHOs.

Investments are managed by the Corporation's external investment managers. All investments have an R2 high or an AA rating or higher from the Dominion Bond Rating Service. Individual investments are limited to a maximum of 10% to 50% of the total portfolio and a maximum dollar value of \$10 million depending on the issuer of the investment. There is no significant concentration in any one investment counterpart.

#### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash, short term investments to maturity of the cash and cash equivalents. Management monitors exposure to interest rate fluctuations.

Long-term debt is comprised entirely of instruments with fixed interest rates, therefore the Corporation has not provided a sensitivity analysis to show the effect of interest rate changes on operating results.

The Corporation is not exposed to foreign exchange or other price risk.

#### (c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its short term financial obligations. To manage liquidity risk, the Corporation maintains adequate cash balances and invests in money market instruments. These instruments are readily convertible into known amounts of cash.

A maturity analysis of the Corporation's financial liabilities as at March 31, 2012 is as follows (the contractual cash flows reported are undiscounted and include principal payments and finance charges):

	Contractual Cash Flows					
	Carrying Amount	2013 Estimated	2014 to 2017	2018 to 2037	Total 2012	Total 2011
Long-Term Debt	\$ 16,387	\$2,285	\$9,037	\$14,831	\$26,153	\$ 28,438
Accounts Payable and Accrued Liabilities	38,248	38,248	-	-	38,248	36,278
Capital Funding Advanced	24,405	24,405	-	-	24,405	46,029
	<u>\$ 79,040</u>	<u>\$64,938</u>	<u>\$9,037</u>	<u>\$ 14,831</u>	<u>\$88,806</u>	<u>\$ 110,745</u>



# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### 16. TRANSFERS FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2012	2011
Contributions for social housing including interest expense	\$ 23,547	\$ 25,987
Repairs, maintenance, grants and other costs	5,755	4,870
	<u>\$ 29,302</u>	<u>\$ 30,857</u>

Under the terms of a Social Housing Agreement (SHA) with Canada Mortgage and Housing Corporation, the Corporation assumed full responsibility and liability for the management of social housing programs specified in the SHA. The Corporation receives annual funding from CMHC to manage these programs. The SHA and the funding expire in 2037. CMHC provides funding for the Residential Rehabilitation Assistance Program (RRAP) and Emergency Repair Program (ERP) in conjunction with funding for the SHA. The amount received in 2012 was \$0 (2011 - \$580). The total amount of expenditures for the RRAP and ERP programs was \$938 (2011 - \$1,629).

CMHC's ownership interest in the social housing and loan portfolio affected by the SHA is transferred to the Corporation as Trustee, in accordance with a Declaration of Trust Agreement. A portion of the SHA funding is used to make payments on portfolio-related CMHC mortgages (Note 11). As the related mortgages mature, the Corporation obtains clear title to CMHC's share of the book value of the respective assets. Until clear title is obtained, CMHC is entitled to its respective share of any gains realized upon the disposal of any portfolio assets.

### 17. CONTINGENCIES

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 carrying value of these third-party loans is approximately \$2,632 as at March 31, 2012 (2011 - \$2,851, April 1, 2010 - \$3,062).

In the normal course of operations, the Corporation could become party to future claims and legal proceedings. Management is of the opinion that adequate provisions have been made for any disbursements that could stem from future legal actions and does not foresee any adverse effects of such potential legal actions on the financial position or operating results of the Corporation.

### 18. CONTRACTUAL OBLIGATIONS

The Corporation leases staff and social 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. The basic rental payments are as follows:

2013	\$ 26,734
2014	17,798
2015	13,534
2016	12,444
2017	12,376
2018 to 2023	32,035
	<u>\$ 114,921</u>

The Corporation has signed land leases for various lots throughout Nunavut which are for 30 years with an annual commitment of \$344 in addition to the amount stated for the above leases.

# Nunavut Housing Corporation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

### 19. RELATED PARTY TRANSACTIONS

The Corporation's relationship with the various Local Housing Organizations (authorities, associations, and hamlets) is as a "partner" in the delivery of social housing, as provided under individual management agreements. The housing authorities are incorporated under the *Nunavut Housing Corporation Act* and the Minister responsible for the Corporation appoints the members.

The Corporation funds the operating costs of the Local Housing Organizations based on a funding formula. In addition, the Local Housing Organizations complete Modernization & Improvement projects on various social housing units, as approved and funded by the Corporation.

The Corporation is also related in terms of common ownership to all Government of Nunavut created departments, agencies and territorial corporations. The Corporation enters into transactions with these entities in the normal course of business under terms and conditions similar to those with unrelated parties. During the year ended March 31, the Corporation, in carrying out its normal business had the following transactions:

	<u>2012</u>	<u>2011</u>
<b>Government Funding</b>	\$ 151,422	\$ 145,223
<b>Operating Expenses:</b>		
Salaries	11,930	12,266
Power - Qulliq Energy Corporation (QEC)	23,461	20,555
Fuel - Petroleum Products Division (PPD)	17,207	16,260
Taxes and land leases - GN	468	1,592
<b>Accounts receivables:</b>		
GN Departments	2,251	7,851
<b>Accounts payable and accrued liabilities:</b>		
GN Departments	3,317	3,640
QEC	3,868	4,026
PPD	6,769	5,976

The Corporation receives services provided without charge from the Government of Nunavut. These services provided without charge are recorded in Corporate Administration Expenses, with a corresponding credit to the Government of Nunavut funding, in the Consolidated Statement of Operations and Accumulated Surplus, and are as follows:

	<u>2012</u>	<u>2011</u>
Office accommodations	\$ 938	\$ 1,029
Insurance	-	1,069
Professional Services	452	414
Employee Benefits	961	827
	<u>\$ 2,351</u>	<u>\$ 3,339</u>

## Nunavut Housing Corporation

### Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(in thousands of dollars)

#### 20. MINISTERIAL DIRECTIVES

In fiscal 2010/11 NHC received two ministerial directives:

- a) Minister of Finance directive No. 1, dated April 15, 2010. Under Section 78(1) of the *Financial Administration Act*, the Nunavut Housing Corporation was directed to:

(1) Engage a qualified and suitable professional accounting firm or the Office of the Auditor General to conduct a thorough review of all Nunavut Housing Trust project related expenditures to date and to express an opinion regarding the validity of all estimates to complete the project. This opinion was to be delivered to the Department of Finance no later than August 15, 2010.

(2) Provide monthly management and/or financial reports, as appropriate, to the Department of Finance. These reports must provide an assurance that loan, capital, operations and maintenance and administrative matters are reported accurately and in a timely manner; and

(3) Provide to the Department of Finance quarterly management and/or financial reports as appropriate, as reviewed and approved by the Minister responsible for the Nunavut Housing Corporation. These reports must provide an assurance that loan, capital, operations, and maintenance and administrative matters are reported accurately and in a timely manner.

For clarity, the points above include any and all housing related work performed by Local Housing Associations, Local Housing Authorities, and Municipal Corporations on behalf of the Nunavut Housing Corporation. However, full financial statement reporting, while welcome, is not currently contemplated nor is it required under this directive.

This directive will remain in place until otherwise directed by the Minister of Finance and Executive Council.

- b) Minister responsible for Housing directive No. 1, dated April 17, 2010

As per Cabinet Extract #03-10-321 (4336), from Cabinet Meeting #03-10-321 held April 16, 2010, the Nunavut Housing Corporation (NHC) was directed to:

(1) Prepare options for a new governance model for the NHC; and

(2) Perform a review of financial expertise requirements for the NHC, financial systems analysis and support; the review should identify where possible / required sufficient O & M resources and support; and

(3) Develop a plan of action that will improve operations and address any requirements for forensic reviews based upon the outcome of the review; and

(4) Immediately place a senior GN official on the NHC's Corporate Executive Committee, in an ex-officio capacity upon consultation with Executive Council; and

(5) Work with the Department of Finance and the Department of Executive & Intergovernmental Affairs to develop a communications plan for the general public, communities and the Legislative Assembly, and to return to Executive Council with the plan. The communications plan shall include a briefing for Full Caucus. Executive Council directed that the communications plan and Full Caucus briefing shall be based upon a proactive disclosure approach. The disclosure shall be based upon clear, factual information and a plan to move forward with the NHC in full control of its programs and services.

The directive will remain in place until otherwise directed by the Minister Responsible for the Nunavut Housing Corporation and Executive Council.

NHC has complied with both directives.

## **Nunavut Housing Corporation**

### **Notes to the Consolidated Financial Statements for the year ended March 31, 2012**

(in thousands of dollars)

#### **21. SUBSEQUENT EVENTS**

Effective April 1, 2012, the Corporation ceased the provision of housing services through the Hamlet of Cape Dorset and established the Cape Dorset Housing Authority. As a result, starting in the 2012/13 fiscal year, this entity will be consolidated with the Nunavut Housing Corporation.

#### **22. COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform to the current year's presentation.

#### **23. BUDGETED FIGURES**

Budgeted figures have been provided for comparison purposes for only March 31, 2012 figures and have been derived from the corporate plan approved by the Corporate Executive Committee and tabled before the legislature.

**CONSOLIDATED SCHEDULE OF OTHER REVENUE AND RECOVERIES  
FOR THE YEAR ENDED MARCH 31, 2012**

(in thousands of dollars)

	<u>2012</u>	<u>2011</u>
<b>Other Revenue and Recoveries</b>		
Mortgage Subsidy Recovery	\$ 5,121	\$ 4,222
Other Revenue	1,976	2,610
Investment Revenue	1,111	876
Recovery of homeowner's assistance	236	516
Mortgage Interest Revenue	81	86
Impaired mortgage loss	(4,272)	(3,663)
Loss on disposal of capital assets	(182)	(210)
<b>Total Other Revenue and Recoveries</b>	<b>\$ 4,071</b>	<b>\$ 4,437</b>

**CONSOLIDATED SCHEDULE OF EXPENSES BY TYPE FOR THE YEAR ENDED MARCH 31, 2012**

(in thousands of dollars)

	Social Housing Program	Staff Housing Program	Corporate Administration	Total 2012	Budget 2012	Total 2011
<b>Expenses</b>						
Agency Fees	\$ -	\$ 1,329	\$ -	\$ 1,329	\$ 1,500	\$ 1,394
Amortization	32,732	2,615	-	35,347	34,882	28,140
Bad Debt	2,072	-	-	2,072	1,762	2,118
Compensation and benefits	-	1,460	10,470	11,930	14,005	12,277
Computer Services	-	4	290	294	273	280
Contributions for Social Housing-Hamlets	1,415	-	-	1,415	1,883	1,712
Demand and preventative maintenance	23,748	3,267	-	27,015	27,559	28,482
Interest on long term debt	2,205	261	-	2,466	1,218	2,832
LHO Administration	10,234	-	-	10,234	13,574	10,205
Leasing	2,926	31,733	-	34,659	34,625	33,209
Materials supplies and other	-	2	205	207	576	225
Office accommodations	-	-	1,091	1,091	125	1,103
Miscellaneous	-	-	214	214	-	402
Professional and Special Services	-	12	2,805	2,817	1,028	5,305
Repairs for modernization and improvements	5,341	51	-	5,392	9,052	8,936
Sponsor Groups	342	-	-	342	516	346
Travel and training	-	78	1,708	1,786	1,911	1,785
Utilities, taxes and land leases	78,255	4,952	-	83,207	78,743	75,482
Land titles and fees	-	-	113	113	-	137
Communications	-	2	170	172	-	289
Building and equipment rental	-	8	105	113	-	79
<b>Total Schedule B Expenses</b>	<b>\$ 159,270</b>	<b>\$ 45,774</b>	<b>\$ 17,171</b>	<b>\$ 222,215</b>	<b>\$ 223,232</b>	<b>\$ 214,738</b>

# Nunavut Housing Corporation

## SCHEDULE C

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2012

(in thousands of dollars)

	Social Housing	Staff Housing	Lease to Purchase	Capital Lease Cost	Warehouses & Offices	Equipment & Leaseholds	Land	Equity Land Leases	Total
<b>Cost</b>									
Balance Opening	\$ 687,392	\$ 49,216	\$ 6,786	\$ 40,328	\$ 19,525	\$ 3,152	\$ 327	\$ 2,865	\$809,591
Transfer from Construction in Process	156,318	15,516	-	-	168	-	-	1,224	173,226
(Disposals) /Additions	(797)	80	(3,851)	-	-	-	-	-	(4,568)
Write-Downs	(651)	-	-	-	-	-	-	-	(651)
Balance Closing	842,262	64,812	2,935	40,328	19,693	3,152	327	4,089	977,598
<b>Accumulated Amortization</b>									
Balance Opening	267,578	12,508	3,732	28,612	6,949	830	-	-	320,209
Amortization	28,722	2,615	64	2,702	637	471	-	136	35,347
Accumulated amortization related to disposals	(180)	-	(2,083)	-	-	-	-	-	(2,263)
Adjustments	(373)	-	-	-	-	-	-	-	(373)
Balance Closing	295,747	15,123	1,713	31,314	7,586	1,301	-	136	352,920
<b>Construction In Process</b>									
Balance Opening	112,654	13,598	-	-	107	-	-	-	126,359
Additions-Net of Transfers to Minor	60,171	6,061	-	-	168	-	-	-	66,400
Transferred to cost of Tangible Capital Assets	(157,542)	(15,516)	-	-	(168)	-	-	-	(173,226)
Balance Closing	15,283	4,143	-	-	107	-	-	-	19,533
<b>Net Book Value</b>	<b>\$ 561,798</b>	<b>\$ 53,832</b>	<b>\$ 1,222</b>	<b>\$ 9,014</b>	<b>\$ 12,214</b>	<b>\$ 1,851</b>	<b>\$ 327</b>	<b>\$ 3,953</b>	<b>\$ 644,211</b>
Estimated Useful Life	20-30 years	20-30 years	20-30 years	20-30 years	5-10 years	1-5 years		30 years	

# Nunavut Housing Corporation

## SCHEDULE C (CONTINUED)

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2011

(in thousands of dollars)

<b>Cost</b>	<b>Social Housing</b>	<b>Staff Housing</b>	<b>Lease to Purchase</b>	<b>Capital Lease Cost</b>	<b>Warehouses &amp; Offices</b>	<b>Equipment &amp; Leaseholds</b>	<b>Land</b>	<b>Equity Land Leases</b>	<b>Total</b>
Balance Opening	\$605,832	\$ 42,479	\$ 8,717	\$ 40,655	\$ 18,153	\$ 932	\$327	\$ -	\$ 717,095
Additions	2,123	-	-	-	-	-	-	-	2,123
Transfer from Construction in Process	80,414	8,884	-	-	1,372	2,220	-	2,865	95,755
Disposals/Additions	322	(2,147)	(1,931)	(327)	-	-	-	-	(4,083)
Write Downs	(1,299)	-	-	-	-	-	-	-	(1,299)
<b>Balance Closing</b>	<b>687,392</b>	<b>49,216</b>	<b>6,786</b>	<b>40,328</b>	<b>19,525</b>	<b>3,152</b>	<b>327</b>	<b>2,865</b>	<b>809,591</b>
<b>Accumulated Amortization</b>									
Balance Opening	245,456	11,267	4,605	26,132	6,287	243	-	-	293,990
Amortization	22,096	1,932	161	2,702	662	587	-	-	28,140
Accumulated amortization related to disposals	805	(691)	(1,034)	(222)	-	-	-	-	(1,142)
Adjustments	(779)	-	-	-	-	-	-	-	(779)
<b>Balance Closing</b>	<b>267,578</b>	<b>12,508</b>	<b>3,732</b>	<b>28,612</b>	<b>6,949</b>	<b>830</b>	<b>-</b>	<b>-</b>	<b>320,209</b>
<b>Construction In Process</b>									
Balance Opening	96,570	7,663	-	-	-	-	-	-	104,233
Additions-Net of Transfers to Minor	99,363	14,819	-	-	1,479	2,220	-	-	117,881
Transferred to cost of Tangible Capital Assets	(83,279)	(8,884)	-	-	(1,372)	(2,220)	-	-	(95,755)
<b>Balance Closing</b>	<b>112,654</b>	<b>13,598</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,359</b>
<b>Net Book Value</b>	<b>\$532,468</b>	<b>\$ 50,306</b>	<b>\$ 3,054</b>	<b>\$ 11,716</b>	<b>\$ 12,683</b>	<b>\$ 2,322</b>	<b>\$327</b>	<b>\$ 2,865</b>	<b>\$ 615,741</b>
Estimated Useful Life	20-30 years	20-30 years	20-30 years	20-30 years	5-10 years	1-5 years		30 years	