
Nunavut Housing Corporation



2015 - 2016
Annual Report





Nunavut Housing Corporation



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

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Letter of Transmittal

The Honourable Nellie Kusugak
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, 2015 to March 31, 2016.

Respectfully submitted,



Honourable George Kuksuk
Minister Responsible for the Nunavut Housing Corporation

Minister's Message



As Minister Responsible for the Nunavut Housing Corporation (NHC), I am proud of the Corporation's commitment to addressing the housing needs of Nunavummiut during the fiscal year 2015-2016. The NHC has accomplished a lot and it has been a pleasure to work with a strong team as we collectively address Nunavut's housing crisis.

To continue to address Nunavut's severe overcrowding, the NHC completed the construction of 223 new public housing units in 2015-2016.

The NHC has been increasing its collaboration with pan-territorial partners, and together with Yukon and Northwest Territories Housing Corporations has strengthened its tri-territorial joint lobbying efforts. In 2015, the three territories developed a business case for enhanced federal support and assistance to improve housing in the North.

This year, I was pleased to work with the NHC's Board of Directors as well as the President and CEO in advancing the Government of Nunavut's "Igluliuqatigiilauqta: Let's Build a Home Together" initiative. This three-part initiative embodies the Government of Nunavut's holistic approach to building a long-term comprehensive strategy to address Nunavut's unique and challenging housing situation.

The launch of the *Blueprint for Action* engagement process is the third and final step of this initiative. 2015-2016 saw great strides towards the development of a comprehensive and sustainable housing strategy that meets the unique northern housing needs of Nunavummiut. I am confident that these efforts will help achieve the goals of self-reliance through education and training; healthy families through strong and resilient communities; economic growth through responsible development across all sectors and good government through wise use of our resources.

We will continue to highlight the need for long-term and predictable investments in housing, and strengthen our partnership with the federal government. The NHC will continue to build on its achievements in this fiscal year and fulfil its obligations guided by "Sivumut Abluqta".

I have enjoyed working with the Board of Directors, Senior Management at the NHC and our community partners during 2015-2016. As we continue to work together, I look forward to addressing the challenges that next year will bring.

Sincerely,

A handwritten signature in black ink, appearing to read "George".

Hon. George Kuksuk

Minister Responsible for the Nunavut Housing Corporation

Chairperson's Message

As Chair of the Nunavut Housing Corporation's Board of Directors, it is my pleasure to present, on behalf of the Board, the 2015-2016 Nunavut Housing Corporation Annual Report. This year, the Board worked closely with the Corporation's senior management team to provide strategic direction on a number of fronts.

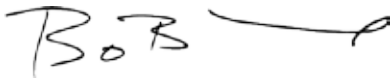
Throughout the many changes in the fiscal year 2015-2016, which saw a change in Ministers, the welcoming of a new President & CEO, the Board of Directors has provided consistent leadership and strong direction forward. Our experienced membership ensured in-depth knowledge and a Nunavut-specific understanding to drive solutions to our unique housing issues.

The Board ensured that the Corporation is fulfilling its responsibilities on the three-part Government of Nunavut's "Igluliuqatigiilauqtaq, Let's Build a Home Together" initiative to develop a comprehensive, long term housing strategy. The focus this past year was on advancing the planning and preparation for the development of the *Blueprint for Action*, the final step of the Government of Nunavut's holistic approach to address Nunavut's housing crisis. We are pleased that the engagement process has been launched. We expect the *Blueprint for Action* to be completed in 2016-2017.

Within the Board of Directors, we were fortunate to fill two Director positions during fiscal 2015-2016. On July 1, 2015, we welcomed Mr. Percy Kabloona and Ms. Kathy Hanson to our Board.

The Board continues to strongly support the Corporation's staff and management, as well as the Local Housing Organization board members and staff, as we continue to work to meet the housing needs of Nunavummiut. With a renewed vision and keen commitment to strengthening advocacy efforts, we look forward to meeting the challenges and opportunities of 2016-2017.

Best regards,



Bob Leonard
Chairperson
Nunavut Housing Corporation
Board of Directors

Board of Directors

Mr. Bob Leonard, Chairperson, Arviat, NU

Mr. John Ningark, Director, Kugaaruk, NU

Ms. Kathleen Gomes, Director, Iqaluit, NU

Mr. Ross Mrazek, Director, Sherwood Park, AB

Mr. John Apt, Director, Ottawa, ON

Mr. Percy Kabloona, Whale Cove, NU

Ms. Kathy Hanson, Director, Iqaluit, NU

President's Message



It is my pleasure to present the Nunavut Housing Corporation's (NHC) 2015-2016 Annual Report.

I am particularly pleased that for the first time, the NHC has met its statutory reporting deadline. This is a significant achievement for the Corporation, and it represents the hard work of our staff and Local Housing Organization (LHO) partners. Moreover, this year, again, for the first time, all LHOs complied with the inventory evaluation requirements. This is an important step towards full accountability and transparency in the NHC's reporting.

For the NHC, fiscal 2015-2016 encompassed collaboration, continued focus and collective priorities in working towards meeting the housing needs of Nunavummiut.

The NHC continues to lead the *Blueprint for Action*, a three-part initiative for the Government of Nunavut (GN) towards developing a comprehensive approach to address the territory's housing crisis as part of the "Igluliuqatigiilauqta" Initiative. The *Blueprint for Action* is scheduled to be ready for approval in fall 2016.

The lack of housing stock in the territory continues to limit the well-being of Nunavummiut, as well as Nunavut's economic development. As we move into a new fiscal year, the NHC continues in its efforts to lobby the federal government for funding. In 2015-2016 the NHC, along with the Yukon and Northwest Territories Housing Corporations developed a business case for enhanced federal support to improve the housing situation in the North. Although all jurisdictions across Canada face housing challenges, these challenges are amplified for the Northern territories.

The NHC works to support its LHOs to provide maintenance and administration services for public housing units. The NHC looks to our partners for valuable insight on community priorities and concerns. We recognize the value of enhancing LHO capacity and this remains a critical goal for us to support.

Over the past three years, the NHC started construction of 293 public housing units. By March 31, 2016, 248 of those units had been completed and are presently occupied while the remaining 45 units are due to be completed by the end of 2016. These units, as well as the planned construction of units under the Social Infrastructure Fund will go a long way in addressing the territory's acute housing needs.

With funding from the GN, the NHC has tendered for 40 new public housing units and 43 new staff housing units in 11 communities across the territory. The development of these new units is critical for addressing the housing shortage, and for meeting the GN's staff housing requirements.

As we work towards addressing numerous challenges, the NHC has continued to make it a priority to ensure Nunavummiut have access to sustainable and affordable housing. I remain proud of the Corporation's accomplishments in 2015-2016. These accomplishments are a clear demonstration of a committed and cohesive team, a dedicated Board of Directors and a supportive network of local housing partners. I look forward to meeting our priorities as we move into 2016-2017.

Sincerely,

Terry Audla,
President and CEO
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 Nunavut 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 Territorial 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 25 Local Housing Associations and Authorities consolidated with the financial statements of the Corporation for the 2015-2016 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 three distinct lines of program delivery: Public Housing, Staff Housing and Homeownership.

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 5,383 units in the public housing portfolio (as of March 31, 2016), from unit allocations and rental assessments and 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 1,496 units used for staff housing at a local level (as of March 31, 2016).

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.



Board of Directors

Pursuant to the *Nunavut Housing Corporation Act* ("the Act"), the Nunavut Housing Corporation established a Board of Directors in the fall of 2011.

The Board directs the business of the Corporation and exercises overall responsibility for the stewardship over its activities. As part of the overall stewardship responsibility the Board approves the Corporation's strategic direction and the corporate plan; ensures that the principal risks of the Corporation have been identified and that appropriate systems to manage these risks have been implemented and ensures that the Corporation's information systems and management practices meet its needs and give the board confidence in the integrity of the Corporation's information.

The appointment of members of the Board is set out in section 2.1 of the Act, which requires no fewer than five and not more than seven Directors. Board members are appointed by the Commissioner in Executive Council, on the recommendation of the Minister to hold office for a term of three years.

The Board is currently comprised of seven directors with diverse backgrounds and experience in Northern housing, public policy, finance, project management, property management and social program development.

Meetings of the Board

During the year, the Board held six meetings (four tele-conferences and two face-to-face meeting) during which the Board passed 10 financial resolutions, 3 legal resolutions, 4 operational resolutions, and 2 policy resolutions.

Audit Committee

The Audit Committee assists the Board with oversight of its financial reporting and audit, including internal controls and corporate governance. The committee provides oversight on budgeting and overall comptrollership and recommends the Corporation's budgets and financial plans to the Board for approval.

The committee reviews the audit work plans and key audit risks identified by the Office of the Auditor General. Upon completion of the external audit and before the finalization of the financial statements, the committee reviews the draft annual financial statements and related notes, the external auditor's opinion, and the appropriateness of accounting policies, including disclosures through Management's Discussion and Analysis.

Board Actions and Approvals

On July 1st, 2015, Ms. Kathy Hanson and Mr. Percy Kabloona were appointed Directors of the Corporation for three year terms expiring on June 30th, 2018.

During the year, the Board had the following actions and approvals:

- Approved the 2016-2019 Business Plans for submission to Cabinet.
- Approved the 2016-2021 Five Year Capital Plan for submission to Cabinet.
- Approved the 2016-2017 Main Estimates for submission to Cabinet.
- Approved the 2016-2017 construction allocation plan.
- Approved changes to the Tenant to Owner Program (TOP) for submission to Cabinet.
- Approved changes to the Seniors and Persons with Disabilities Homeownership Options Program (SPDHOP) for submission to Cabinet.
- Approved the Loans Receivable Accounting Policy.
- Participated in the inaugural consultative session to launch the *Blueprint for Action* initiative.

Board of Directors

Board Member Profiles



Bob Leonard, Chairperson

Mr. Bob Leonard, of Arviat, has been president of a Nunavut construction company for more than 30 years and is a strong proponent of training and education in the building maintenance trades. Mr. Leonard is the current mayor of Arviat. He has in-depth experience in construction bidding and procurement as well as working with municipalities and other business sectors through his various private and public roles.

Kathleen Gomes, Director

Ms. Kathleen Gomes, from Iqaluit, has a solid banking and financial background as branch manager of the First Nations Bank of Canada and gained experience with previous banks she worked for in Nunavut. Ms. Gomes is also a volunteer firefighter with the Iqaluit Fire Department.

John Apt, Director

Mr. John Apt, is a retired Audit Principal with the Office of the Auditor General of Canada. He was primarily responsible for financial audits of the Government of Nunavut and its Territorial Corporations. Mr. Apt has proven leadership skills in managing change to improve efficiency and effectiveness. He has extensive experience in governance and regularly met with senior management, Boards and Audit Committees.

Percy Kabloona, Director

Mr. Kabloona is a welder by trade with extensive government experience, having served 3 terms as Whale Cove's Mayor and one year as the President of the Nunavut Association of Municipalities. His experience as an elected official, as well as experience on a number of boards and committees, including the Nunavut Planning Commission and the Nunavut Impact Review Board has given him much insight into governance, as well as housing and construction issues in the territory. Mr. Kabloona is a recipient of the Queen Elizabeth II Diamond Jubilee Medal, honoring his commitment to public life and community.

John Ningark, Director

John Ningark of Kugaaruk, is a former Member of the Legislative Assembly of Nunavut and the Northwest Territories. For 17 years, he served as the Senior Administrative Officer of the Hamlet of Kugaaruk and over the years, has served on the Board of the Nunavut Liquor Corporation and the Nunavut Development Corporation.

Ross Mrazek, Director

Mr. Ross Mrazek served as a Deputy Minister in the Government of Nunavut. He has wide experience in civil engineering, project planning and development, infrastructure planning and contract management. With over 20 years working for the governments of Northwest Territories and Nunavut, Mr. Mrazek brings solid understanding of Nunavut's infrastructure challenges. He has knowledge of Board governance gained from serving on several Boards in the past 10 years.

Kathy Hanson, Director

Ms. Kathy Hanson was born and raised in Iqaluit, with over 30 years of work experience in a variety of roles. Her work as a Tenant Relations Officer with the Iqaluit Housing Authority as well as her volunteer work with the YWCA Women's homeless shelter has given her extensive knowledge of housing issues in Nunavut. Ms. Hanson has experience in management training and has sat on a number of boards, including the Iqaluit Housing Authority, the Agvik Women's Shelter as well as volunteer work for the Nunavut Kamatsiaqtuq Help Line. Ms. Hanson lives in Iqaluit and currently works for Parks Canada as a Cooperative Management Advisor.

Departmental Roles

To administer the Corporation's programs, a corporate team of one hundred and twenty two professional and administrative staff provide services that make the Corporation a client-focused 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.

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.

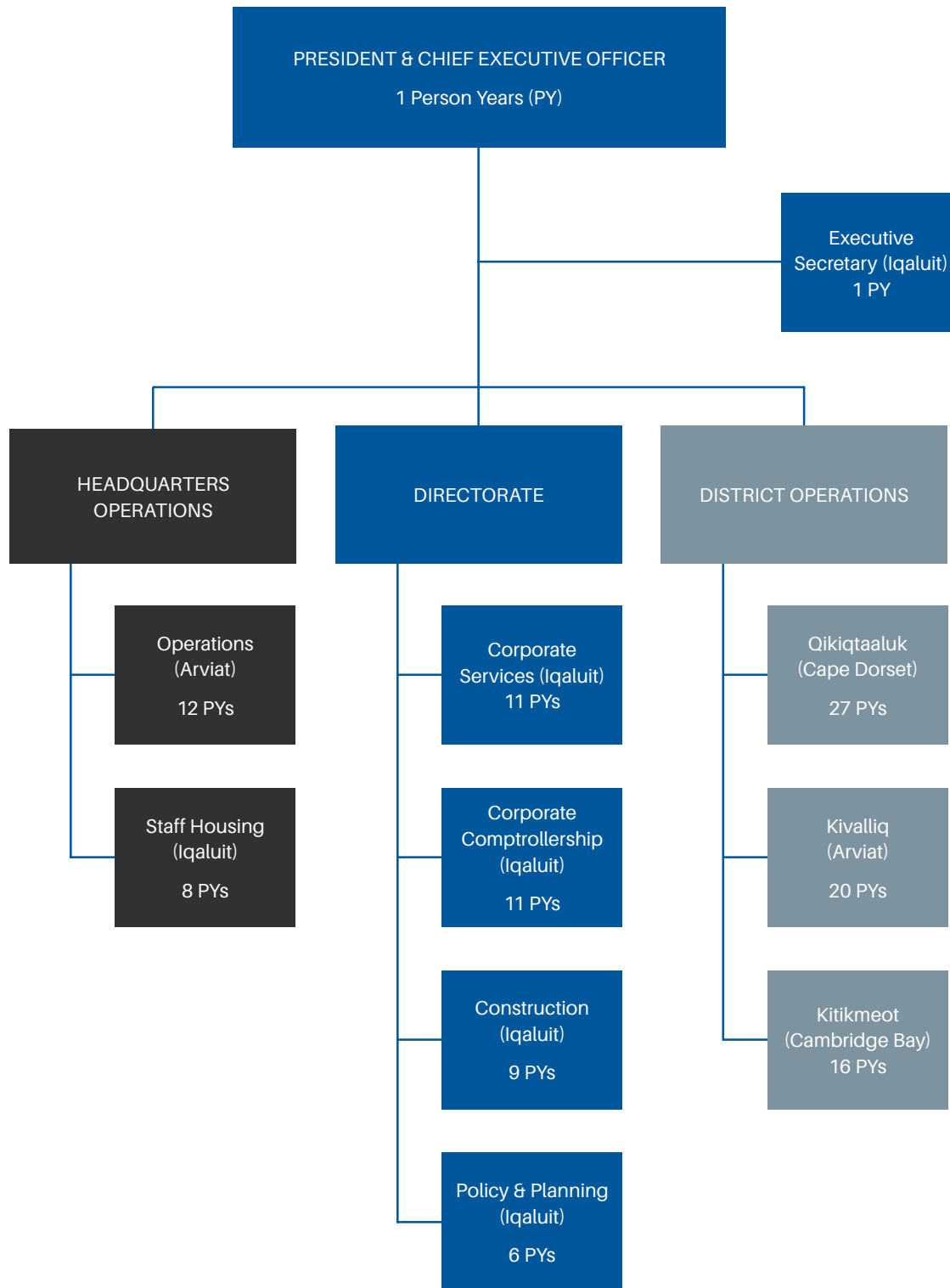
LHOs (Local Housing Organizations)

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

Most LHOs are formed as independent organizations under the Societies Act (Housing Associations). Exceptions to this are the Baker Lake, Cape Dorset, Coral Harbour, Iqaluit, Kugaaruk, and Taloyoak Housing Authorities which were formed under the *Nunavut Housing Corporation Act*.

Departmental Roles

Organizational Chart



Priorities and Objectives

Core Business

Complete the Blueprint for Action for the GN Comprehensive Long Term Housing Strategy, in collaboration with GN departments.

Status: NHC held an inter-departmental kick-off and planning session in June 2015 and began preliminary consultations over the summer of 2015. A series of facilitated stakeholder engagement sessions began in May and concluded in June 2016. The final blueprint document will be developed following the conclusion of the engagement sessions and will be tabled in the fall 2016.

Review business processes and identify options, both short term and long term to address financial and property management software needs, in consultation with its LHO partners.

Status: The NHC will be updating its existing FreeBalance and MMOS financial and maintenance software respectively, to ensure that the software remains current. The NHC will continue to explore solutions for a more robust integrated system to address the Corporation's full range of operational needs.

Work with Nunavut Tunngavik Incorporated (NTI) to address affordable housing needs in Nunavut in accordance with Aajiiqatigiinniq.

Status: NHC President met with the NTI CEO in March 2016 and previously in May of 2015. As well NTI was been an active participant in the kick off and engagement sessions for the Blueprint for Action.

Coordinate implementation of training, mentoring, development and staffing opportunities for *Nunavut Land Claims Agreement* beneficiaries within NHC, through the NHC's Long Term Inuit Employment Plan.

Status: Three NHC employees were accepted into the Hiviliqtikhanut Leadership (Supervisors) Program in September 2015. NHC will be submitting additional names for its staff to be considered for the 'Emerging Managers' and the 'Senior Management' Hiviliqtikhanut Leadership Programs in 2016.

The NHC has completed a database of LHO staff with a view to identifying existing skills and developing training plans. The information gathered through this process will prepare the NHC to take advantage of the NTI training funds. Training will be coordinated through the department of Executive and Inter-Governmental Affairs. The NHC continues to hire beneficiaries through the Summer Student program.

Initiate the delivery of occupational health and safety plan training to both NHC and LHO staff.

Status: A New Occupational Health & Safety Officer was hired March 2015. As a first step, a review and prioritization of upcoming training requirements was developed. Initial sessions for Mold & Asbestos training were held in the Kivalliq region in June, the Kitikmeot region in July and the Qikiqtaaluk region in August.

Priorities and Objectives

Public Housing



Participate in lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.

Status: NHC continues to work with the Canada Housing & Renewal Association (CHRA) and attended the April 2015 National Congress, which brings together key stakeholders from across the affordable housing and homelessness sector to exchange best practices and discuss current and future housing issues facing the country.

NHC worked closely with the other two Territories to develop a Northern Business Case for Federal Investments in Housing. In August 2015, the CMHC held its annual Board of Directors meeting in Iqaluit, which allowed NHC to provide a focused session on housing in Nunavut. These efforts have collectively contributed to increased awareness about Nunavut's housing crisis and on March 22, 2016, the federal budget announced \$76.6 million specifically targeted for northern and Inuit housing.

Continue to enhance supports for LHO partners, including a review of the management agreements, and a review of various policies and procedures.

Status: NHC Executives and District staff visited seven Qikiqtaaluk communities and met with both LHO board members and LHO Staff. As well, the NHC President attended several LHO board meetings via teleconference. These meetings allowed NHC to share on-going efforts to advance the housing issues, as well as allowed LHOs to provide feedback and insights on issues in their community.

The Corporation has identified a need to review the LHO management agreement to streamline roles, improve program delivery and provide an appropriate level of funding to LHOs.

Update the condition rating software to include full life cycle maintenance to allow for improved management of NHC's aging public housing stock.

Status: The NHC will be replacing the Condition Rating System with a user-friendly and more reliable application that is best suited for remote communities with limited bandwidth. The application will be developed in-house and will be compatible with the Nunavut Housing Management System (NHMS).

Continue to monitor and review impact of collections policy and procedures to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.

Status: The verification of tenants' income has greatly improved as more and more tenants are having their income verified by headquarters directly with Canada Revenue Agency.

The NHC is exploring the feasibility of effecting payroll deductions for GN staff in public housing. The NHC is finalizing a memorandum of understanding with the department of Family Services to allow Income Assistance clients' rent payments to be paid directly to LHOs. This will cover the majority of our clients as at least 75% of our public housing tenants are on social assistance.

Staff from the Directorate continue to train district staff to enable them to do follow ups, identify statute barred accounts and effect adjustments to accounts of deceased tenants.

Priorities and Objectives

Staff Housing

Complete comprehensive review of the GN staff housing policy and develop a long-term strategy for the staff housing program as part of the development of the Blueprint for Action.

Status: The staff housing policy is being reviewed as part of the Blueprint for Action. The NHC held an inter-departmental kick off session in June 2015 and began preliminary consultations over the summer of 2015. A series of facilitated stakeholder engagement sessions began in May and concluded in June 2016. The final blueprint document will be developed following the conclusion of the engagement sessions and will be tabled in the fall 2016.

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

Status: NHC has developed a new approach for the selection of communities that will receive new staff housing construction. Based on the GN's decentralization policy, the new approach places the GN Staff Housing Program as one tool among many, which will deliver a systematic approach to meet the housing needs of GN employees.

In partnership with the Department of Finance, continue to work closely with GN departments to improve forecasting to ensure that their staff housing requirements are met.

Status: NHC is continuing to work closely with the GN's Human Resources Divisions, as well as the GN's departments, to improve forecasting for a more comprehensive needs assessment.

Priorities and Objectives

Homeownership



Identify proposed changes to NHC's homeownership programs resulting from the Blueprint for Action.

Status: NHC implemented changes to the income threshold for all of its programs and increased the maximum grants allowed under two of its programs. As well, NHC modified programs to allow additional grant amounts to be available to fund contractor travel where needed. NHC held an inter-departmental kick off and planning session in June 2015 and began preliminary consultations over the summer of 2015. A series of facilitated stakeholder engagement sessions began in May and concluded in June 2016. The final blueprint document will be developed following the conclusion of the engagement sessions and will be tabled in the fall 2016.

Monitor the success and impact of the homeownership programs.

Status: NHC centralized its homeownership application process to its HQ office in Arviat in spring 2015. This will streamline the processing and improve tracking of the programs.

Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling.

Status: With the centralization of the homeownership application processing, NHC launched a central toll free number to provide support for applicants. As well, NHC launched its new website in the fall of 2015, which has improved homeownership materials.

Management's Discussion

Report on Operations

Directorate & Corporate Headquarters

Over the past year, the Corporation oversaw the construction of 268 public housing units and six staff housing units. Funding for construction of the public housing units was provided by a combination of the Economic Action Plan (EAP), the GN, and CMHC's Investment in Affordable Housing (IAH) initiative. Construction of the staff housing units was funded entirely by the GN.

All of the six staff housing units have been completed. 223 of the 268 public housing units have been completed and are now occupied. The remaining 45 are scheduled to be completed by the fall of 2016.

Effective April 1, 2016, the Corporation and CMHC entered into the 2016 Social Infrastructure Fund (SIF) Agreement, a supplementary agreement to the Agreement for Investments in Affordable Housing (IAH) that will allocate additional CMHC funding totalling \$84.1 million over fiscal years 2016-2017 and 2017-2018. The funding is targeted to seniors, victims of family violence, public housing new construction, renovation and retrofits.

The NHC continues to work with stakeholders within the GN, community partners and NTI in a consultative process to address Nunavut's housing crisis. The initiative, called the *Blueprint for Action* is a comprehensive housing action plan, expected to be completed by the end of 2016.

Through our headquarters in Arviat, the NHC offers homeownership programs geared towards assisting homeowners throughout the life of their home.

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.



Management's Discussion

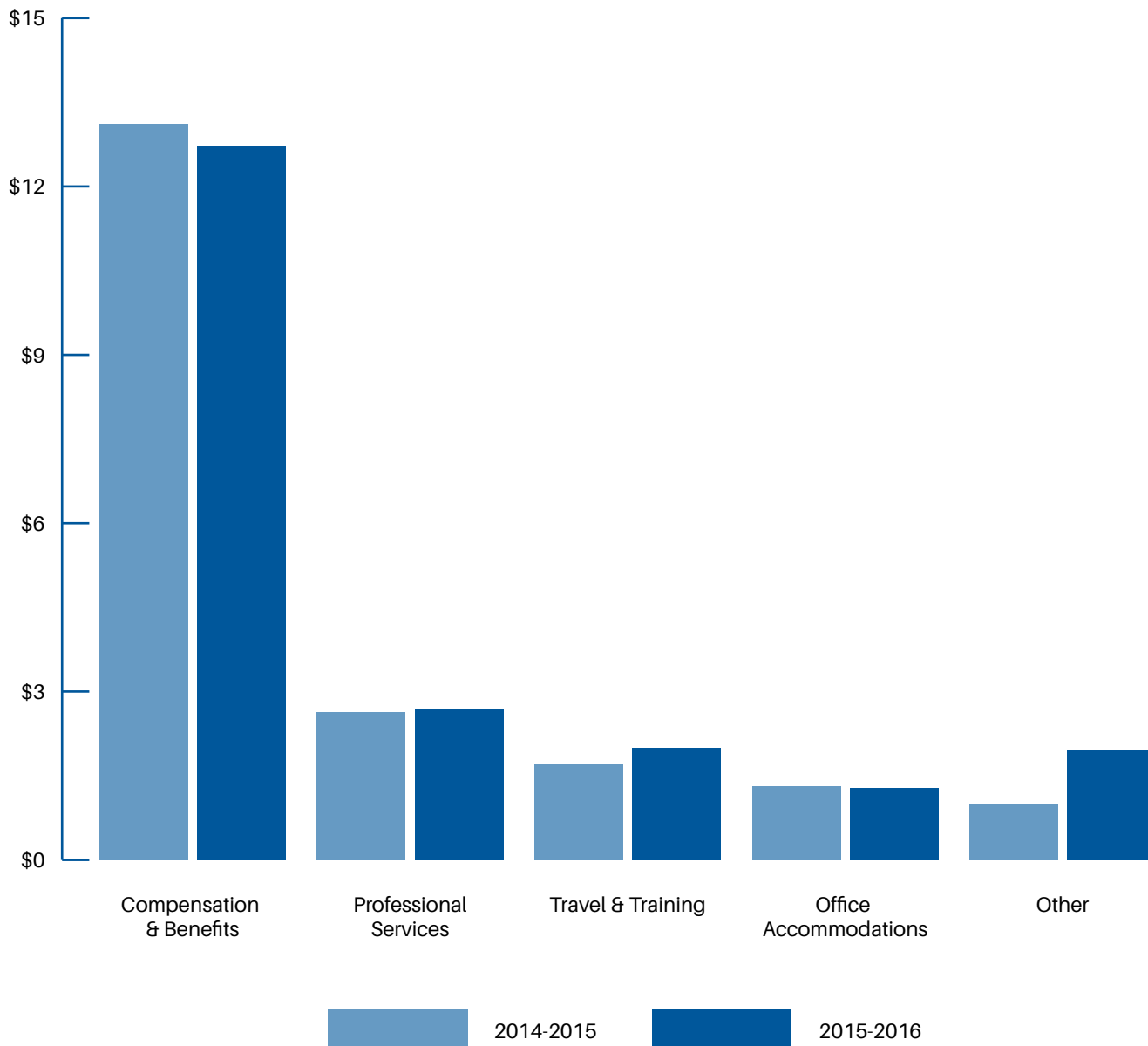
Advisory and Administration Services



Administration

In 2015-2016, administration costs (not including administration related to staff housing) increased from \$19.9 million to \$20.7 million primarily due to increased spending on travel and training and remediation of oil spills. Spending on compensation and benefits decreased slightly.

Advisory and Administration Services (\$ millions)



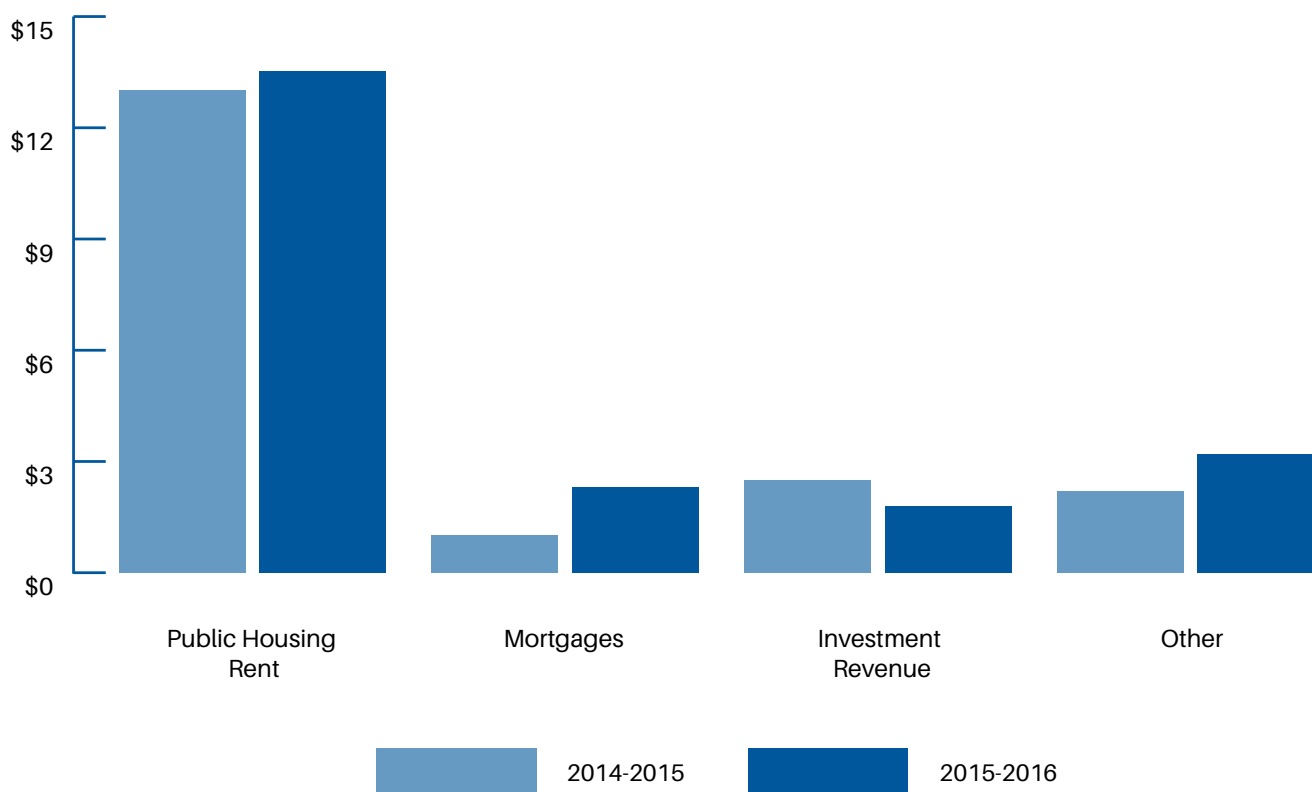
Management's Discussion

Total Revenues & Government Funding

Total Revenues increased from \$315.0 million to \$315.5 million in 2015-2016. Government funding decreased from \$296.2 million to \$294.6 million. This included a decrease of \$1.1 million in funding from the Government of Nunavut and \$0.5 million in funding from CMHC.

Other revenues increased from \$18.8 million to \$20.9 million mainly due to improved collectibility of mortgages and an increase in social housing rental assessments. These increases were offset by a decrease in investment revenues related to reduced interest rates. These other revenues can be broken down as follows:

Non-Government Revenues (\$ millions)



The Corporation's most significant generated revenue is public housing rent. During fiscal 2015-2016, the collection rate decreased from 88.4% to 83.9%.

The collection rate improved in ten communities when compared to last year, with three communities registering increases of more than 10% and as high as 15%.

The drop in the collection rate was driven by ten communities whose collection rate dropped to below 80% including two whose collection rate fell below 70%. The Corporation continues to explore alternatives to improve collections in collaboration with the Canada Revenue Agency and Government of Nunavut Departments.

Note that 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. The number of months outstanding was calculated by taking the total rent receivable divided by the average monthly rent assessment for fiscal 2015-2016.

Management's Discussion

Collection Rates by Community



Community	Rent Receivable (dollars)	Number of Months Outstanding	2015-2016	2014-2015	2013-2014
Iqaluit	2,708,014	26	105.7%	109.5%	114.5%
Qikiqtarjuaq	683,801	32	102.6%	87.0%	84.6%
Resolute Bay	215,315	27	97.6%	96.8%	102.4%
Kimmirut	386,101	17	93.5%	96.9%	75.1%
Sanikiluaq	920,284	32	92.2%	102.9%	85.0%
Cape Dorset	1,436,902	29	84.5%	76.6%	85.6%
Pangnirtung	1,576,486	23	79.3%	76.5%	95.1%
Hall Beach	2,853,446	60	77.2%	74.5%	75.7%
Pond Inlet	2,209,786	29	76.7%	81.3%	94.2%
Igloolik	1,561,862	28	73.1%	70.8%	89.4%
Arctic Bay	1,701,702	44	72.4%	93.2%	91.0%
Grise Fiord	135,255	14	67.4%	89.1%	92.3%
Clyde River	2,929,105	53	64.0%	70.0%	57.3%
Qikiqtaaluk	19,318,059	33	83.4%	85.7%	90.0%
Coral Harbour	129,238	5	104.5%	93.6%	102.1%
Baker Lake	1,596,939	17	90.0%	96.7%	75.3%
Nauyasat	415,583	12	89.5%	79.4%	86.2%
Chesterfield Inlet	95,271	5	87.1%	97.7%	109.9%
Whale Cove	88,198	9	84.9%	118.0%	95.0%
Arviat	1,588,538	21	81.9%	83.1%	75.9%
Rankin Inlet	1,059,238	15	80.7%	76.9%	99.0%
Kivalliq	4,973,005	15	86.9%	87.6%	87.1%
Taloyoak	1,314,211	34	98.7%	96.8%	89.3%
Gjoa Haven	1,502,521	32	81.3%	112.2%	97.4%
Kugluktuk	1,077,049	22	78.0%	93.6%	85.9%
Cambridge Bay	1,862,268	38	73.2%	97.5%	100.7%
Kugaaruk	597,780	21	71.3%	79.9%	77.4%
Kitikmeot	6,353,829	30	80.4%	97.7%	92.0%
Nunavut	30,644,893	27	83.8%	88.4%	89.6%

Accumulated Surplus

The closing accumulated surplus balance of \$749.3 million is not 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. This simply represents the value of NHCs assets less its liabilities.

Management's Discussion

Public Housing

In 2015-2016, the Corporation recorded a write-down of \$413,264 for 7 public housing fire damaged units.

The Corporation continues to address the dire need for housing in Nunavut. The table below shows each community's housing demand. Housing demand is measured using each community's public housing need as a percentage of existing public housing stock. For example, if a community with a public housing waiting list of 1,000 units currently has a stock of 2,500 units, its housing need as a percentage of stock is 40% (1,000/2,500). In the table below, communities with a housing need above 40% have the most pressing need for public housing, while those below 25% have a less severe need. The Corporation uses housing need as a percentage of stock to prioritize new construction.

Housing Need as a Percentage of Stock



>40%

Cambridge Bay
Gjoa Haven
Hall Beach

Kugaaruk
Sanikiluaq



35% - 40%

Arviat
Chesterfield Inlet
Iqaluit
Kimmirut

Kugluktuk
Naujaat
Pond Inlet
Taloyoak



25% - 35%

Arctic Bay
Cape Dorset
Clyde River

Igloolik
Pangnirtung
Qikiqtarjuaq



<25%

Baker Lake
Coral Harbour
Grise Fiord

Rankin Inlet
Resolute Bay
Whale Cove

Management's Discussion

Public Housing



Public Housing – Capital Projects

The Corporation has completed the construction of 248 public housing units over the past three years and is wrapping up the construction of 45 units in Arviat, Kugaaruk and Pond Inlet. Funding for the construction of the 293 units was provided by the Government of Nunavut through its capital plan and CMHC's Investment in Affordable Housing (IAH) and the Economic Action Plan (EAP).

In 2015-2016 the Corporation spent \$54.2 million (2014-2015 – \$48.4 million) on the public housing construction program.

The Corporation has signed an \$84.1 million funding agreement with CMHC for new public housing construction, housing for seniors, victims of family violence and social housing renovation/retrofit programs. The funds will be provided over two years.

Public Housing - Modernization & Improvement (M & I)

The Corporation is responsible for 5,383 units in the public housing portfolio. The Modernization and Improvement Program ensures the health, safety and suitability of these units. In 2015-2016, \$8.9 million (2014-2015 – \$7.1 million) was spent on modernization & improvements. Funding for the program came from the following sources:

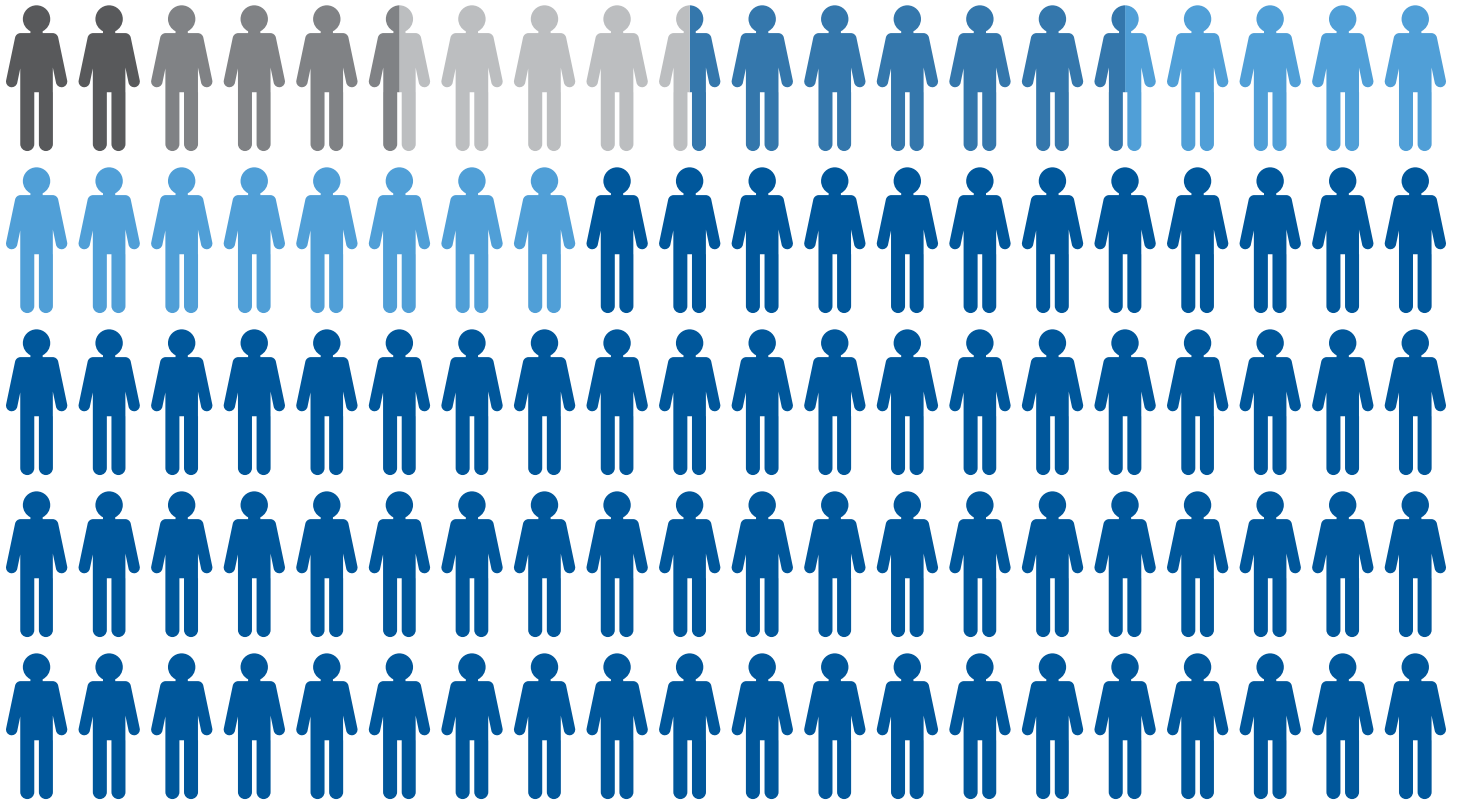
Government of Nunavut	\$4.6 million
Canada Mortgage and Housing Corporation	\$4.3 million



Management's Discussion

Public Housing Income Distribution (All of Nunavut)

The chart below shows income levels of public housing tenants across the territory. 71.9% of the territory's public housing clients earn less than \$22,800 a year.



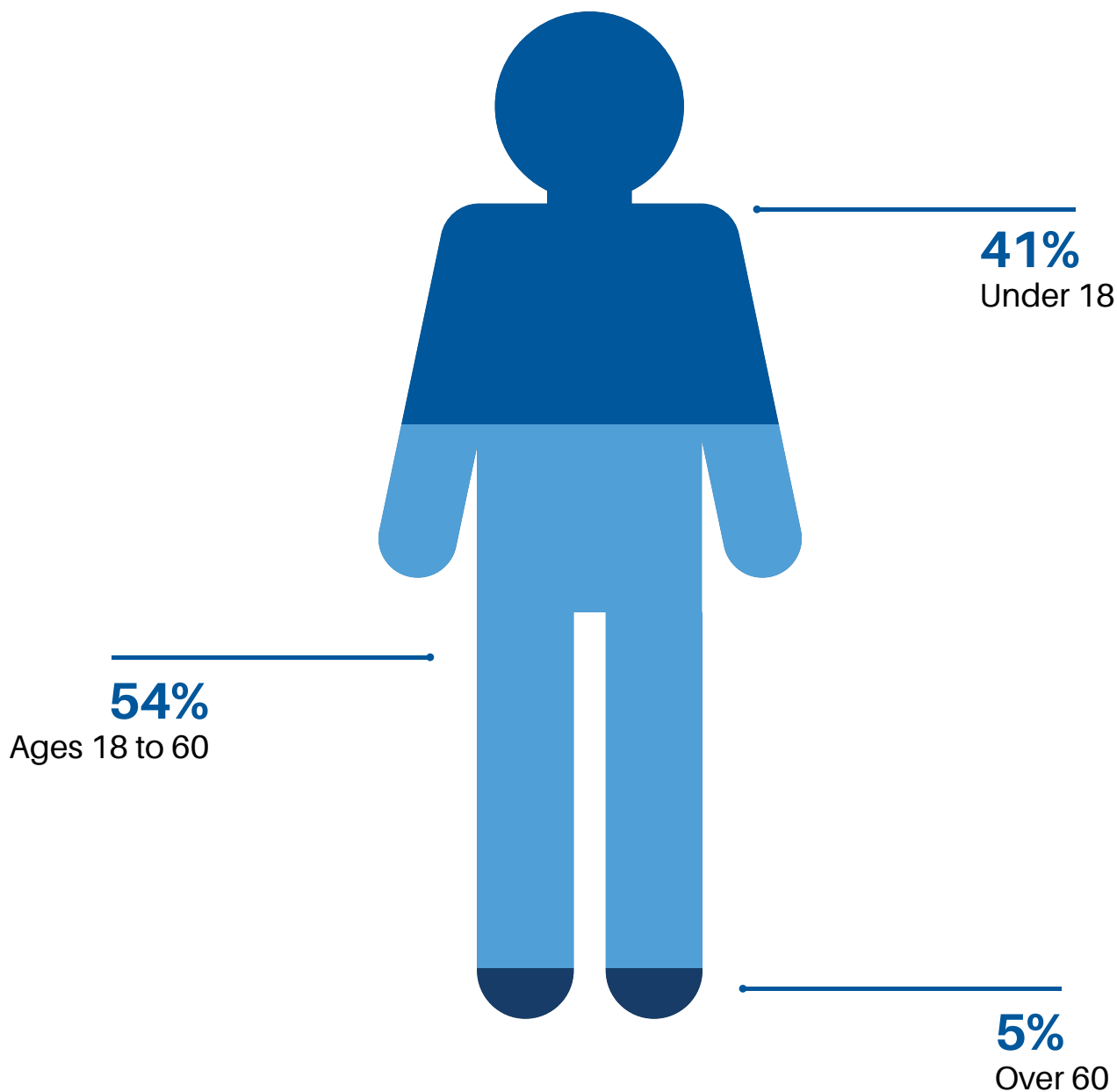
71.9%	< \$22800	12.5%	\$22881-\$40000	6.0%	\$40001 - \$60000
4.0%	\$60001 - \$80000	3.5%	\$80001 - \$100000	2.1%	\$100000 +

Management's Discussion

Tenant Demographic (All of Nunavut)



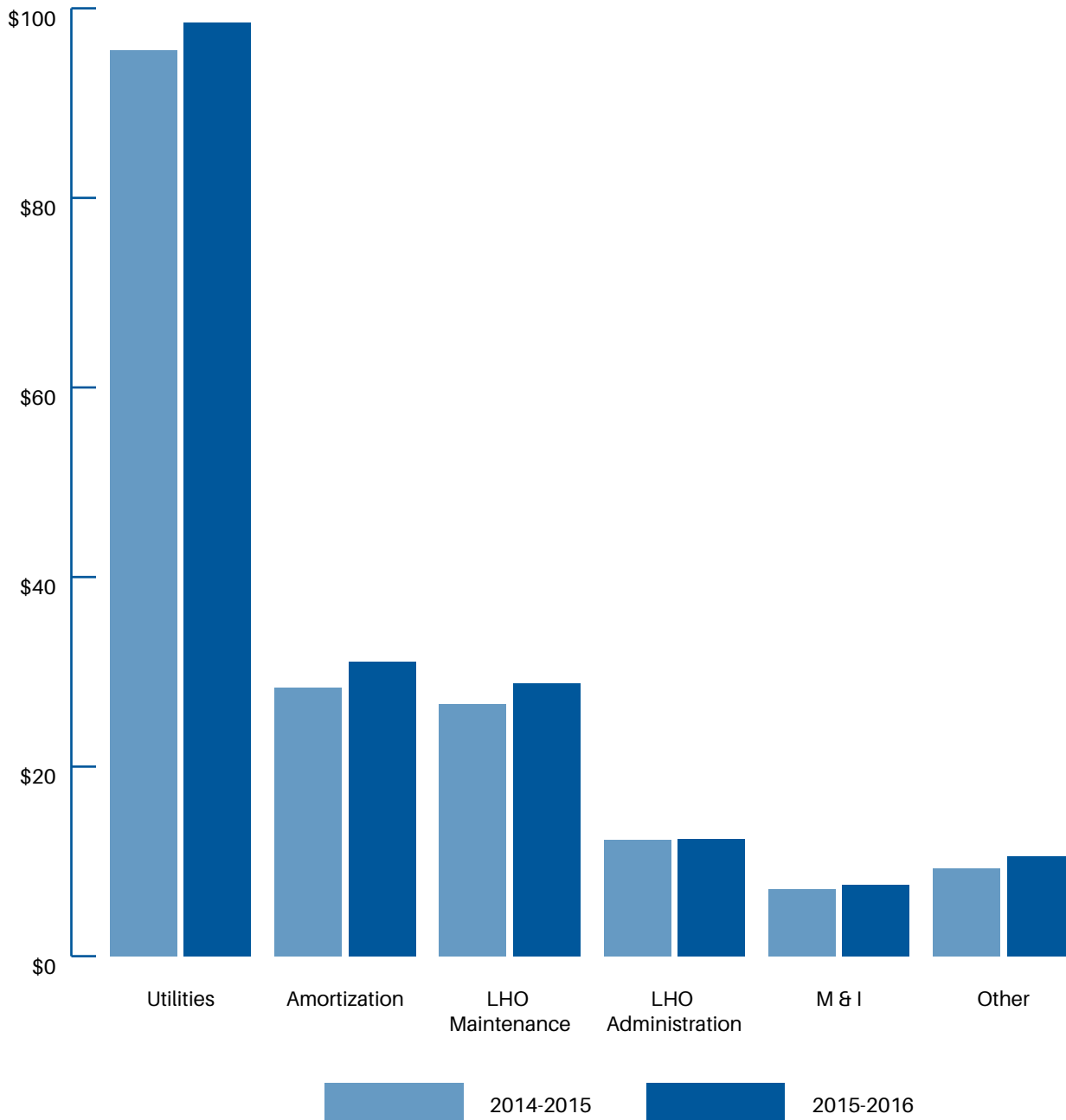
The Corporation currently serves 21,213 public housing tenants in 5,383 units. The majority of tenants are in the 18 to 60 year age group, with a sizable number in the below 18 age group.



Management's Discussion

Operation and Maintenance (O&M) for Public Housing

The Social Housing Program now consists of a single line on the Consolidated Statement of Operations with the details outlined in Schedule B. This amount increased from \$179.1 million in 2014-2015 to \$188.9 million in 2015-2016, an increase of \$9.8 million. This increase is primarily due to the addition of new public housing units, resulting in increases in utilities, and LHO administration and maintenance costs. O & M costs for public housing were as follows:

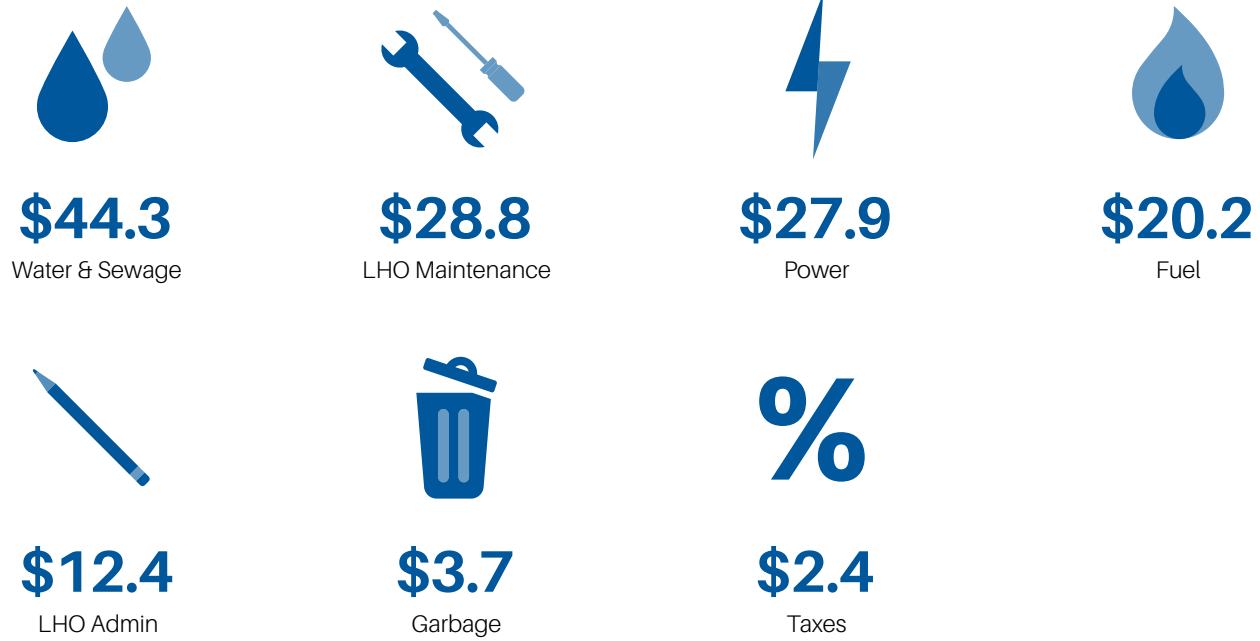


Management's Discussion

Operation and Maintenance (O&M) for Public Housing



Public housing operating costs are broken down as follows:



Average Cost Per Unit (In thousands of dollars)

Average Cost Per Unit (in thousands)	
Water & Sewage	\$ 8.4
Power	5.3
Fuel	3.8
Garbage	0.7
Taxes	0.5
Subtotal - Utilities	18.7
LHO Admin	2.4
LHO Maintenance	5.4
Sub-total LHO	7.8
Total	\$ 26.5

Water & Sewage costs are the largest single expense for public housing units, and exceeds the cost of LHO Administration & Maintenance combined (Average cost per unit for LHO operations is approximately \$7,826 while water & sewage is approximately \$8,416 per unit).

Management's Discussion

GN Staff Housing

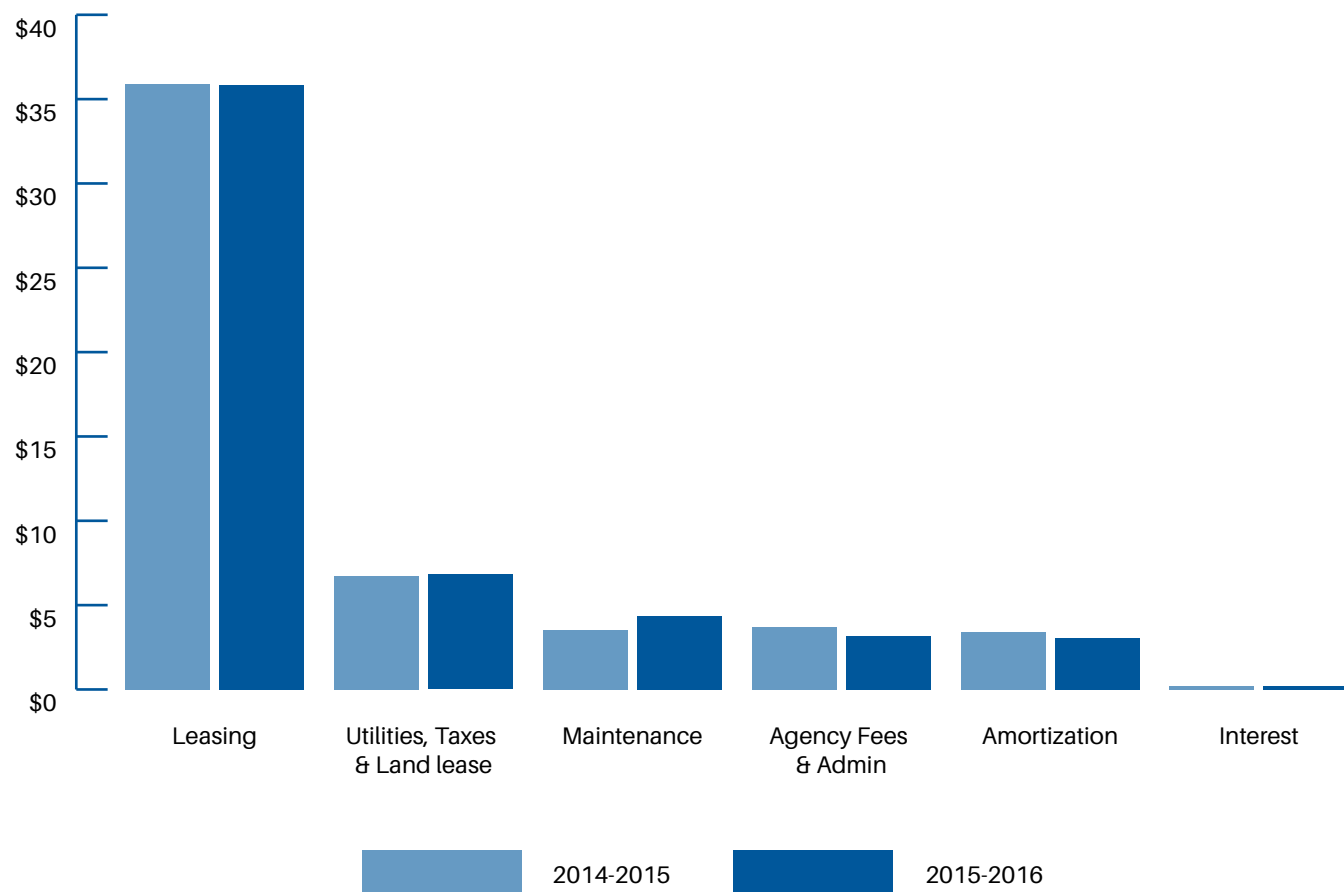
Through the GN Staff Housing Program, the Corporation provides subsidized rental units to GN staff.

The GN staff housing inventory of 1,496 units is administered by the Corporation. Of these, 390 are owned by the Corporation while 1,106 units are leased (73.9% of the staff housing portfolio). 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 2015-2016, costs related to the staff housing program costs decreased from \$53.5 million to \$53.4 million, a decrease of \$0.1 million. Total costs remained stable as a slight increase in maintenance was offset by a decrease in administration. Revenues for staff housing rents are collected and retained by the Government of Nunavut Department of Finance.

Staff Housing Operations & Maintenance Costs (\$ millions)



Management's Discussion

Homeownership Programs



The Nunavut Housing Corporation (NHC) provides assistance to Nunavummiut to buy, build, maintain and repair homes through its various homeownership programs. Supporting the homeownership market in the territory is an important part of the Corporation's core business, as each new homeowner reduces demand on government provided housing in terms of rental units in the public or staff housing inventory, alleviates overcrowding, further develops the private housing market and reduces reliance.

The NHC offers two types of homeownership programs; home purchase assistance programs, and home renovation and repair programs.

Active home purchase programs currently offered:

- Nunavut Downpayment Assistance Program (NDAP)
- Interim Financing Program (IFP)
- Tenant to Owner Program (TOP)
- Seniors and Persons with Disabilities Home Options Program (SPDHOP)

Active home renovation and repair programs currently offered:

- Home Renovation Program (HRP)
- Emergency Repair Program (ERP)
- Senior Citizens Home Repair Program (SCHRP)
- Heating Oil Tank Replacement Program (HOTRP)
- Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)

Homeownership Program Spending

In 2015-2016 \$6.2 million (2014-2015 - \$3.5 million) was spent on Homeownership Programs. Funding for these programs came entirely from the GN in 2015-2016.

Breakdown of homeownership spending by region and by program

	Kitikmeot	Kivalliq	Oikiqtaaluk	Total
SCHRP	\$ 11,900	\$ 13,719	\$ 45,420	\$ 71,039
ERP	78,698	133,563	264,057	476,318
NDAP	195,487	271,125	1,256,988	1,723,600
HRP	434,116	500,579	2,293,607	3,228,302
SPDPMP	560	-	3,995	4,555
HOTRP	192,397	167,617	297,946	657,960
TOTAL	\$913,158	\$1,086,603	\$4,162,013	\$6,161,774

Management's Discussion

Homeownership Programs

Breakdown of approved homeownership applications by program:

Community	ERP	HRP	HOTRP	NDAP	SCHRP	SPDPMP	TOP	IFP	SPDHOP	TOTAL
Arctic Bay	0	1	0	0	0	1	0	0	0	2
Cape Dorset	3	6	0	0	3	0	0	0	0	12
Clyde River	2	8	0	0	1	0	0	0	0	11
Grise Fiord	0	0	0	0	0	0	0	0	0	0
Hall Beach	1	0	0	0	0	0	0	0	0	1
Igloolik	6	10	10	0	2	0	0	0	0	28
Iqaluit	27	20	18	37	1	3	0	0	0	106
Kimmirut	0	11	10	1	0	0	0	0	0	22
Pangnirtung	2	17	1	1	2	0	0	0	0	23
Pond Inlet	0	4	3	0	0	0	0	0	0	7
Qikiqtarjuaq	0	0	0	0	0	0	0	0	0	0
Resolute Bay	1	0	0	0	0	0	0	0	0	1
Sanikiluaq	1	0	1	1	0	0	0	0	0	3
Qikiqtaaluk	43	77	43	40	9	4	0	0	0	216
Cambridge	6	4	9	5	3	0	0	0	0	27
Gjoa Haven	4	1	1	0	0	0	0	0	0	6
Kugaaruk	1	0	0	0	0	0	0	0	0	1
Kugluktuk	3	2	8	1	0	0	0	0	0	14
Taloyoak	2	0	0	0	0	0	0	0	0	2
Kitikmeot	16	7	18	6	3	0	0	0	0	50
Arviat	16	12	11	0	0	0	0	0	0	39
Baker Lake	4	5	6	5	0	0	0	0	0	20
Chesterfield Inlet	0	1	0	0	0	0	0	0	0	1
Coral Harbour	1	1	2	0	0	0	0	0	0	4
Nauyasat	1	1	0	0	0	0	0	0	0	2
Rankin Inlet	25	17	19	7	2	0	0	0	0	70
Whale Cove	1	1	1	0	0	0	0	0	0	3
Kivalliq	48	38	39	12	2	0	0	0	0	139
Total Nunavut	107	122	100	58	14	4	0	0	0	405

Management's Discussion

Homeownership Programs



Breakdown of homeownership applications by program:

	Pending & Waitlisted at Mar 31, 2015	New Applications	Approved Applications	Declined Applications	Waitlisted at Mar 31, 2016	Pending at Mar 31, 2016
SCHRP	12	34	14	12	1	19
ERP	18	214	107	35	4	86
NDAP	2	87	58	14	0	17
HRP	84	215	122	61	17	99
SPDPMP	1	36	4	22	1	10
HOTRP	21	200	100	68	5	48
IFP	0	2	0	0	0	2
TOP	1	1	0	2	0	0
SPDHOP	0	0	0	0	0	0
Total	139	789	405	214	28	281

Eligibility for Homeownership Assistance Programs

Eligibility for homeownership programs is based on the applicant's income. Income testing is done against a community-specific Homeownership Program Income Eligibility limit (HPIE). HPIE limits range from \$158,500 in Arviat to \$186,000 in Resolute Bay.

HPIE limits are calculated using a modified Core Need Income Threshold (CNIT). The CNIT is a formula based on Canada Mortgage and Housing Corporation's (CMHC) Housing Income Limits (HILs) for calculating shelter costs, and is used to set public housing income limits. For the purposes of the NHC's homeownership programs, the CNIT was modified to more accurately reflect true costs of homeownership.

Maximum contribution amounts for HRP are set relative to household income as a percentage of HPIE limit for their community, as follows:

Income as % of the community HPIE Limit

0% up to 80% of HPIE
 Between 80% and 85% of HPIE
 Between 85% and 90% of HPIE
 Between 90% and 95% of HPIE
 Between 90% and 100% of HPIE
 Greater than 100% of HPIE

Maximum Contribution Amount

100% of repair costs up to a maximum of \$65,000
 80% of repair costs up to a maximum of \$52,000
 60% of repair costs up to a maximum of \$39,000
 40% of repair costs up to a maximum of \$26,000
 20% of repair costs up to a maximum of \$13,000
 0% or \$0

In some communities, the lack of available local contractors has limited the NHC's ability to deliver its homeownership programs. Much of the work designed to be supported through NHC's homeownership programs requires specific skilled labour and the costs of flying in contractors to perform renovation and repair work adds significantly to the overall costs. For this reason, a new clause has been added to its home repair and maintenance program guidelines to allow additional program funding to include travel costs of bringing a contractor in to complete the job. Funding for contractor travel is available for the HRP, ERP, SCHRP, and HOTRP.

This change will significantly increase the NHC's ability to ensure that homeowners who are approved for funding are able to better benefit from the program by securing timely and reliable contractors to complete applicable projects. This, in turn will further encourage and support the private housing market in the territory.

Management's Discussion

Construction Program

During the year the Corporation completed the construction of 223 public housing units in 13 communities. To date the Corporation has completed 248 of the 293 (85%) public housing units whose construction started in 2013-2014. These projects were funded through the \$100 million that was provided by CMHC under the Economic Action Plan (EAP) as well as CMHC's Investment in Affordable Housing (IAH) initiative which provides \$1.455 million in matching funds annually. The Government of Nunavut provides ongoing funding for public housing through the capital budget.

As at March 31, 2016, the Corporation had 9 construction projects that were at varying levels of completion. When completed, the projects will add 45 units to the public housing stock and will mark the completion of the 293 units started in 2013-2014.

During the year, the Corporation completed the construction of 6 staff housing units. The construction of staff housing units is funded entirely from the Government of Nunavut's capital plan.

The Government of Nunavut has continued to demonstrate a commitment to addressing the territory's housing crisis by making an annual investment in public housing of \$10 million in 2015-2016. The NHC welcomes the March 2016 announcement by the Federal Government, of \$76.6 million for housing in Nunavut. These investment demonstrate an increasing awareness of the dire need for housing in the north and in Nunavut particularly.



Construction Projects in Progress

Community	Type	Type	% Complete
Arviat	5 Plex	Public Housing	85%
Arviat	5 Plex	Public Housing	83%
Arviat	5 Plex	Public Housing	78%
Kugaaruk	5 Plex	Public Housing	69%
Kugaaruk	5 Plex	Public Housing	70%
Kugaaruk	5 Plex	Public Housing	69%
Pond Inlet	5 Plex	Public Housing	74%
Pond Inlet	5 Plex	Public Housing	75%
Pond Inlet	5 Plex	Public Housing	74%
45 units			

Management's Discussion

Construction Program



Housing Units Completed During the Year

Community	Type	Number of Units
Public Housing		
Clyde River	Public Housing	20
Igloolik	Public Housing	5
Iqaluit	Public Housing	33
Sanikiluaq	Public Housing	5
Cambridge Bay	Public Housing	10
Kugluktuk	Public Housing	20
Taloyoak	Public Housing	10
Arviat	Public Housing	35
Baker Lake	Public Housing	30
Coral Harbour	Public Housing	10
Naujaat	Public Housing	20
Rankin Inlet	Public Housing	20
Whale Cove	Public Housing	5
Total Public Housing Units Completed		223 units
Staff Housing		
Kimmirut	Staff Housing	2
Coral Harbour	Staff Housing	2
Whale Cove	Staff Housing	2
Total Staff Housing Units Completed		6 units

Nunavut Housing Corporation Consolidated Financial Statements

Consolidated Financial Statements

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Consolidated Financial Statements

Management's Responsibility for Financial Reporting

28 August 2016

To the Honorable George Kuksuk
Minister Responsible for the Nunavut Housing Corporation
P.O. Box 2410
Iqaluit, Nunavut
X0A 0H0

Dear Mr. Kuksuk,

Re: MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the integrity and objectivity of the data in these consolidated financial statements and, where appropriate, the statements include estimates and judgements based on careful consideration of information available to management.

Management has developed and maintains books of accounts, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with the *Financial Administration Act* of Nunavut, the *Nunavut Housing Corporation Act* and policies of the Corporation. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial corporation.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors meet periodically with management and external auditors. The external auditors have full and free access to the Board of Directors.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the consolidated financial statements of the Corporation. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.



Terry Audla
President & Chief Executive Officer



Gershon Moyo, CIA, CGA, MBA
Vice President & Chief Financial Officer

Iqaluit, Nunavut
28 August 2016



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 statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion on the results of operations and changes in net financial assets and my unmodified audit opinion on the financial position and cash flows.

Basis for Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

Canadian public sector accounting standards require Nunavut Housing Corporation to consolidate the financial statements of its Local Housing Organizations. 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. Since management had not implemented an adequate system of inventory control, including reliable count procedures and appropriate inventory records, at all Local Housing Organizations, I was unable to obtain sufficient appropriate audit evidence about inventories held for use by Local Housing Organizations as at 31 March 2015 and was unable to satisfy myself concerning inventories by alternative means. Since opening inventories enter into the determination of the results of operations and changes in net financial assets, I was unable to determine whether any adjustments might be necessary to the results of operations and changes in net financial assets for the year ended 31 March 2016.

.../2

Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the results of operations and changes in net financial assets of Nunavut Housing Corporation for the year ended 31 March 2016 in accordance with Canadian public sector accounting standards.

Opinion on the Financial Position and Cash Flows

In my opinion, the consolidated statement of financial position and consolidated statement of cash flow present fairly, in all material respects, the financial position of Nunavut Housing Corporation as at 31 March 2016, and its cash flows for the year then ended 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 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 audit 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.



Terrance DeJong, CPA, CA
Assistant Auditor General
for the Auditor General of Canada

28 August 2016
Ottawa, Canada

Consolidated Financial Statements

Consolidated Statement of Financial Position as at March 31, 2016
(in thousands of dollars)



	2016	2015
Financial Assets		
Cash	\$ 22,889	\$ 32,565
Accounts Receivable (Note 4)	11,725	22,000
Portfolio Investments (Note 5)	111,427	127,264
Mortgage Receivable (Note 6)	3,287	1,494
Direct Financing Lease Receivable	292	311
Total Financial Assets	149,620	183,634
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	44,912	48,526
Security Deposits	712	618
Capital Funding Advanced (Note 8)	3,636	48,574
Long-Term Debt (Note 9)	11,394	12,773
Capital Lease Obligations (Note 10)	3,255	3,650
Employee Future Benefits (Note 11)	1,967	2,202
Total Liabilities	65,876	116,343
Net Financial Assets	83,744	67,291
Non Financial Assets		
Tangible Capital Assets (Schedule C)	659,581	631,524
Inventory for Use	5,956	4,052
Prepaid Expenses	28	64
Total Non Financial Assets	665,565	635,640
Accumulated Surplus	\$ 749,309	\$ 702,931

Contingencies (Note 14)

Contractual obligations (Note 15)

Bob Leonard
Chairperson

Terry Audla
President & Chief Executive Officer

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

Consolidated Financial Statements

Consolidated Statement Of Operations And Accumulated Surplus For The Year Ended March 31, 2016

(in thousands of dollars)

	Budget 2016	Actual 2016	Actual 2015
Generated Revenues			
Social Housing Rental Revenue	\$ 13,580	\$ 13,533	\$ 13,025
Other Revenue and Recoveries (Schedule A)	4,761	7,339	5,754
Total Generated Revenues	18,341	20,872	18,779
Expenses			
Social Housing Program (Schedule B)	198,964	188,880	179,070
Staff Housing Program (Schedule B)	54,125	53,391	53,541
Corporate Administration (Schedule B)	20,627	20,664	19,926
Homeownership Programs	4,616	6,162	3,540
Homelessness	10	10	10
Total Expenses	278,342	269,107	256,087
Net Results of Operations before Government Funding	(260,001)	(248,235)	(237,308)
Government Funding			
Transfers from Government of Nunavut (Note 3)	227,289	226,569	227,635
Transfers from Canada Mortgage and Housing Corporation (CMHC) (Note 13)	58,439	68,044	68,534
Total Government Funding	285,728	294,613	296,169
Surplus for the year	25,727	46,378	58,861
Accumulated Surplus, opening	702,931	702,931	644,070
Accumulated Surplus, closing	\$ 728,658	\$ 749,309	\$ 702,931

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

Consolidated Financial Statements

Consolidated Statement Of Change In Net Financial Assets
For The Year Ended March 31, 2016
(in thousands of dollars)



	Budget 2016	Actual 2016	Actual 2015
Surplus for the year	\$ 25,727	\$ 46,378	\$ 58,861
Tangible Capital Assets (Schedule C)			
Additions	(79,701)	(62,649)	(56,157)
Disposals	-	453	405
Amortization	37,577	34,139	31,681
	(16,397)	18,321	34,790
Purchases of inventory for use	(5,048)	(6,420)	(6,162)
Consumption of inventory for use	5,048	4,516	4,453
Net use of Prepaid Expenses	-	36	1
Change in Net Financial Assets	(16,397)	16,453	33,082
Net Financial Assets, opening	67,291	67,291	34,209
Net Financial Assets, closing	\$ 50,894	\$ 83,744	\$ 67,291

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

Consolidated Financial Statements

Consolidated Statement Of Cash Flow For The Year Ended March 31, 2016 (in thousands of dollars)

	2016	2015
Cash provided by operations		
Transfers from Government of Nunavut	\$ 201,315	\$ 182,186
Transfers from CMHC	21,661	21,893
Rent collections	11,678	11,782
Miscellaneous revenue and recoveries received	6,471	5,654
Contributions for social housing	(159,868)	(145,845)
Staff housing	(50,443)	(47,463)
Administration	(22,964)	(16,463)
Homeownership grants and contributions	(5,986)	(3,210)
Homelessness	(10)	(10)
Interest payments on long term debt	(905)	(997)
Interest payments on capital leases	(206)	(294)
Capital lease executory costs	(38)	(488)
Interest received on mortgage receivable	103	72
Cash provided by operations	808	6,817
Cash (used for)/provided by capital activities		
Tangible capital asset acquisitions	(63,635)	(52,360)
(Cost)/Proceeds from disposals of tangible capital assets	152	(3)
Funding from Government of Nunavut	23,674	43,141
Funding from CMHC	16,534	57,197
Cash (used for)/provided by capital activities	(23,275)	47,975
Cash used for financing activities		
Principal payments on long-term debt	(1,379)	(1,288)
Principal payments on capital lease obligations	(395)	(1,870)
Cash used for financing activities	(1,774)	(3,158)
Cash (used for)/provided by investing activities		
Investments acquired	(191,676)	(196,578)
Investments redeemed	205,435	163,651
Recovery of homeowner's assistance	432	342
Mortgage funds disbursed	(324)	-
Mortgage payments received	698	1,059
Cash (used for)/provided by investing activities	14,565	(31,526)
Increase/(Decrease) in cash	(9,676)	20,108
Cash - beginning of the year	32,565	12,457
Cash - end of the year	\$ 22,889	\$ 32,565

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

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



1. Purpose Of The Organization

The Nunavut Housing Corporation (the Corporation), established under the *Nunavut Housing Corporation Act* (the Act), is a territorial corporation as defined under the *Financial Administration Act* of Nunavut. The Corporation is exempt from the *Income Tax Act* (Canada).

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. Significant Accounting Policies

The Corporation's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS). The following is a summary of the significant accounting policies.

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and the accounts of controlled Local Housing Organizations (LHOs). These can be in the form of Housing Associations or Housing Authorities. The consolidated financial statements include the accounts of the Corporation and 25 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	Qammaq (Sanikiluaq) Housing Association
Arviat Housing Association	Qikiqtarjuaq Housing Association
Cambridge Bay Housing Association	Rankin Inlet Housing Association
Chesterfield Inlet Housing Association	Repulse Bay Housing Association
Clyde River Housing Association	Resolute Bay Housing Association
Grise Fiord Housing Association	Tasiurqtit (Whale Cove) Housing Association
Hall Beach Housing Association	
Igloolik Housing Association	Baker Lake Housing Authority
Kikitak (Gjoa Haven) Housing Association	Cape Dorset Housing Authority
Kimmirut Housing Association	Coral Harbour Housing Authority
Kugluktuk Housing Association	Iqaluit Housing Authority
Pangnirtung Housing Association	Kugaaruk Housing Authority
Pond Inlet Housing Association	Taloyoak Housing Authority

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.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

(b) Contributions for social housing

Housing units owned or leased by the Corporation are operated by local housing associations and authorities 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* of Nunavut, 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.

Government transfers are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability. 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. The Corporation does not hold long term leases with any of its social housing tenants. Social housing leases are on a month-to-month basis.

Federal funding from CMHC, provided under the Affordable Housing Program is 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 statement of operations and accumulated surplus.

(d) Cash and Cash Equivalents

Cash is comprised of bank account balances, net of outstanding cheques. Cash equivalents consist of highly liquid investments with initial maturities of up to 3 months held for the purpose of meeting short-term operating cash commitments rather than for investment purposes. There were no cash equivalents as at March 31, 2016 (2015 - None).

(e) Portfolio investments

Portfolio investments consist of investments in organizations that do not form part of the Corporation reporting entity. 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 less accumulated amortization. Land is 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.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



Tangible capital and leased assets (continued)

Buildings transferred to the Corporation from CMHC or by the Government of Nunavut, are initially recognised at their respective fair value when transferred. Construction in progress includes amounts which may be transferred to social housing, staff housing, or offices and 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 on a 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) Mortgage 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 is measured at cost, net of the mortgage subsidies and 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 recoverable value. Management has determined that a recoverable 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.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

(iii) Write-off of impaired mortgages

Under provisions of the *Financial Administration Act* of Nunavut, the outstanding principal and interest on a loan can be approved for write-off by the Corporation's Executive Committee if the total outstanding on a loan is \$20,000 or less; or by the Legislative Assembly of Nunavut if the total amount outstanding on a loan is over \$20,000.

Management generally recommends the write-off of a loan only after all means of collecting the loan have been exhausted.

(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 impaired mortgage loss. 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) Pension plans

(i) Public Service Pension Plan

Eligible employees of the Corporation are covered by the Public Service Pension (the Plan), a defined benefit plan established through federal legislation and sponsored by the Government of Canada. Employees of the LHOs are not employees of the Government of Nunavut 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.

(ii) Northern Employee Benefits Services (NEBS) Pension Plan

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

Arctic Bay Housing Association	Rankin Inlet Housing Association
Arviat Housing Association	Repulse Bay Housing Association
Cambridge Bay Housing Association	Resolute Bay Housing Association
Chesterfield Inlet Housing Association	Qammaq (Sanikiluaq) Housing Association
Clyde River Housing Association	Tasiurqtiit (Whale Cove) Housing Association
Grise Fiord Housing Association	
Hall Beach Housing Association	Baker Lake Housing Authority
Igloodik Housing Association	Cape Dorset Housing Authority
Kikitak (Gjoa Haven) Housing Association	Coral Harbour Housing Authority
Kugluktuk Housing Association	Iqaluit Housing Authority
Pangnirtung Housing Association	Kugaaruk Housing Authority
Qikiqtarjuaq Housing Association	Taloyoak Housing Authority

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

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Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



(j) Employee future benefits

Under the conditions of employment, eligible employees may earn 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 estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits for employees of the Corporation has been prepared using data provided by the Government of Nunavut and assumptions based on their best estimates.

Employee future benefits for employees of LHOs are valued based on management estimates and have not been actuarially valued.

Sick leave

Included in employee future benefits is an amount for employees who are permitted to accumulate sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these consolidated financial statements.

(k) Measurement uncertainty

The preparation of consolidated 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 consolidated financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these consolidated 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) 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 consolidated financial statements at the Corporation's proportionate share of the carrying amount of the GN costs.

Audit services are provided by the Office of the Auditor General of Canada for the audit of the Corporation's consolidated financial statements. No amount has been recognized in these consolidated financial statements in respect to the services provided.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

(m) Inventory for use

The inventory is valued using the first in first out method. Previously, Local Housing Organizations were expensing consumable inventory in the year in which the consumable inventory was acquired. As at March 31, 2016, there are 25 (2015 - 20) Local Housing Organizations recording consumable inventory on the consolidated statement of financial position:

Arctic Bay Housing Association	Qammaq (Sanikiluaq) Housing Association
Arviat Housing Association	Qikiqtarjuaq Housing Association
Cambridge Bay Housing Association	Rankin Inlet Housing Association
Chesterfield Inlet Housing Association	Repulse Bay Housing Association
Clyde River Housing Association	Resolute Bay Housing Association
Grise Fiord Housing Association	Tasiurqtit (Whale Cove) Housing Association
Hall Beach Housing Association	
Igloodik Housing Association	Baker Lake Housing Authority
Kikitak (Gjoa Haven) Housing Association	Cape Dorset Housing Authority
Kimmirut Housing Association	Coral Harbour Housing Authority
Kugluktuk Housing Association	Iqaluit Housing Authority
Pangnirtung Housing Association	Kugaaruk Housing Authority
Pond Inlet Housing Association	Taloyoak Housing Authority

(n) Financial Instruments

NHC's portfolio investments consist of debt instruments (non-equity investments) and NHC has determined that it does not have any derivatives. All other financial instruments are initially recorded at cost and subsequently measured at cost or amortized cost using the effective interest rate method.

The following is a list of the Corporation's financial instruments and their related measurement bases as at March 31, 2016.

Financial Assets	Measurement Basis
Cash	Cost
Accounts Receivable	Cost
Portfolio Investments	Amortized cost
Mortgage Receivable	Cost
Direct Financing Lease Receivable	Cost
Financial Liabilities	Measurement Basis
Accounts Payable and Accrued Liabilities	Cost
Security Deposits	Cost
Long-Term Debt	Amortized cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. An impairment is not reversed following a subsequent increase in value.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Transaction costs are added to the carrying value of items in the cost or amortized cost category when they are initially recognized.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



(o) Budget figures

Budgeted figures have been derived from Main Estimates approved by the Board of Directors and tabled before the legislature. The main estimates are then re-stated to reflect the public sector accounting standards presentation in the corporate plan which is approved by the Corporation's Board of Directors. See Schedule B for further disclosure of budget figures by type and Schedule D for a reconciliation of main estimates to the reported budget.

(p) Contingencies

Contingent liabilities result from pending lawsuits and like items. The contingencies of the Corporation are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and the costs can be reasonably estimated, an estimated liability is accrued. If the likelihood of a future event that would confirm the Corporation's responsibility is not determinable, or if it is not determinable if future economic benefits will be given up, or if an amount cannot be reasonably estimated, then a contingent liability is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are re-assessed on an annual basis.

(q) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

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

The liability reflects the Corporation's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination. When the cash flows required to settle or otherwise extinguish a liability are expected to occur over extended future periods, a present value technique is used.

The liability is recorded net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

If the likelihood of the Corporation's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated financial statements.

The Corporation has disclosed one contingent liability in Note 14 for which responsibility is uncertain related to contaminated sites. There has not been any material accrual in these consolidated financial statements for liabilities related to contaminated sites. The Corporation's policies and procedures provide comprehensive guidance in regards to responding to fuel spills or other contaminants.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

(r) Future Changes in Accounting Standards

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these consolidated financial statements. The Corporation plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its consolidated financial statements. The following standards will become effective as follows:

PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard establishing disclosure requirements for related party transactions.

PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets (effective April 1, 2017), a new standard establishing disclosure requirements for contingent assets.

PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing disclosure requirements for contractual rights.

PS 3420 Inter-Entity Transactions (effective April 1, 2017), a new standard establishing guidance on how to account for and report transactions between public sector entities that comprise the Corporation's reporting entity from both a provider and a recipient perspective.

PS 3430 Restructuring Transactions (effective April 1, 2018), a new standard defining a restructuring transaction and establishing guidance for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

3. Appropriation Reconciliations

(a) Operational funding reconciliation

As per the funding agreement with the Government of Nunavut, the Corporation is to reconcile the annual non-consolidated operating deficit/surplus. The below schedule is the reconciliation of the non-consolidated operating funding:

	2016	2015
Non-consolidated (unspent)/shortfall operational funding at beginning of year	\$ 3,337	\$ (5,112)
Non-consolidated operation contributions, less capital appropriations	(224,546)	(206,397)
Plus operations revenues	(18,238)	(16,751)
Less operations expenses	271,196	260,851
Exclude non-cash and unfunded expenses	(33,881)	(32,396)
Principal portion of debt and capital leases	1,756	3,142
Non-consolidated over-spent/(unspent) operational funding at end of year	\$ (376)	\$ 3,337

(b) Capital funding reconciliation

The below schedule is the reconciliation of the capital funding received in the year:

	2016	2015
Unspent capital appropriations at the beginning of the year	\$ (112,171)	\$ (53,549)
Current year capital funding contributions	(38,636)	(125,975)
Capital funding used for acquisitions	62,573	55,975
Capital funding used for repairs, maintenance, homeownership grants, and other costs	14,531	11,378
Unspent capital appropriations at end of year	\$ (73,703)	\$ (112,171)

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



4. Accounts Receivable

	2016	2015
Receivable from related parties		
Government of Nunavut trade receivable	\$ 702	\$ 460
Other receivables		
Tenant accounts receivable	30,645	28,410
Trade and other accounts receivable	10,718	6,376
Canada Mortgage and Housing Corporation (CMHC)	16	15,110
	\$ 42,081	\$ 50,356
Less: Allowance for doubtful accounts (Note 12a)	30,356	28,356
	\$ 11,725	\$ 22,000

5. Portfolio Investments

Portfolio investments include the following:

	2016 Term to Maturity	2016 Carrying Value	2015 Carrying Value
Provincial Government notes and bonds	4 years	\$ 5,864	\$ 5,726
Various Banker's Acceptances	Within 1 Year	105,563	121,538
		\$ 111,427	\$ 127,264

The market value of the portfolio investments at March 31, 2016 was \$110,770 (2015 - \$127,548). The portfolio yield for the year ranged from -4.03% to 2.80% (2015 - 0.83% to 4.27%).

6. Mortgage Receivable

	2016	2015
Mortgage bearing interest at rates varying between 2.00% and 11.25% per annum, (2015 - 4.64% and 11.25%) repayable over a maximum period of 25 years	\$ 11,825	\$ 13,705
Less: Subsidy amount by the Corporation	(5,093)	(7,337)
Less: Allowance for impairment	(3,445)	(4,874)
	\$ 3,287	\$ 1,494

The recorded value of those mortgages specifically identified as being impaired is \$3,445 as at March 31, 2016 (2015 \$4,874).

The carrying amounts of mortgage receivable should not be seen as the recoverable 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 \$5,499 (2015 - \$2,983) were expensed on the consolidated statement of operations and accumulated surplus during the year.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

7. Accounts Payable and Accrued Liabilities

	2016	2015
Payable to related parties		
Payable to related parties (Schedule E)	\$ 18,232	\$ 20,779
Other payables		
Trade payable	23,778	24,785
Accrued interest payable	202	226
Accrued wages and employee benefits	2,700	2,736
	\$ 44,912	\$ 48,526

8. Capital Funding Advanced

As part of the Government of Canada's Economic Action Plan 2013, the Canada Mortgage and Housing Corporation (CMHC) was authorized to provide the Corporation with an additional \$100 million in funds through the Investment in Affordable Housing program. These funds are to be used for specific housing or renovation projects agreed upon between CMHC and the Corporation for housing development as well as modernization and improvement of existing properties scheduled between 2014 through 2019, and are repayable to CMHC in the event that the funds are not spent in these timeframes.

The entire \$100 million (2015 - \$100 million) had been provided to the Corporation as of March 31, 2016. Revenue recognized in relation to this funding as of March 31, 2016 and the corresponding liability recognized for remaining funds advanced but not yet spent are as follows:

	2016	2015
Capital Funding Advanced - Opening	\$ 48,574	\$ 23,751
Economic Action Plan capital funding advancements	-	70,000
Advanced funds used for capital additions	(44,938)	(45,177)
Capital Funding Advanced - Closing	\$ 3,636	\$ 48,574

The Corporation has committed this funding to capital projects as discussed in Note 15.

9. Long-Term Debt

	2016		2015	
	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 2016 to 2036 at interest rates from 9.5% to 19.75% (2015 - 9.5% to 19.75%).	\$ 58,640	\$ (58,640)	\$ -	\$ -
Mortgages payable to CMHC (NHA New Section 79 debt), repayable in monthly or quarterly installments, maturing from 2016 to 2020 at interest rates from 4.45% to 6.03% (2015 - 4.45% to 6.03%).	1,708	(1,708)	-	-
Loans payable to CMHC, repayable in annual installments until the year 2032, bearing annual interest of 6.97% (2015 - 6.97%). The loans are guaranteed by the Government of Nunavut.	25,637	(14,243)	11,394	12,773
	\$ 85,985	\$ (74,591)	\$ 11,394	\$ 12,773

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



Long-Term Debt (continued)

Under the terms of the 1999 Social Housing Agreement (SHA), Canada Mortgage and Housing Corporation (CMHC) 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 NHA section 82 debt under the SHA). Under the SHA, the funding provided to the Corporation was used to reduce 100% of the NHA section 79 debt and reduce by 5/9th of the NHA 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 legally 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 flow.

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.

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

	Principal	Interest	Total
2017	\$ 1,374	\$ 808	\$ 2,182
2018	1,107	711	1,818
2019	749	632	1,381
2020	770	579	1,349
2021	650	524	1,174
2022 to 2032	6,744	2,365	9,109
	\$ 11,394	\$ 5,619	\$ 17,013

10. Capital Lease Obligations

The Nunavut Housing Corporation is committed to 4 lease agreements (2015 - 4) 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 6.84% (2015 - 4.85% to 6.84%) and have expiry dates ranging from 2018 to 2026. 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
2017	\$ 639	\$ 37	\$ 181	\$ 421
2018	630	36	155	439
2019	525	12	129	384
2020	525	12	106	407
2021	525	12	81	432
2022 to 2026	1,294	25	97	1,172
Total	\$ 4,138	\$ 134	\$ 749	\$ 3,255

Interest expense related to capital lease obligations for the year was \$206 (2015 - \$294).

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

11. Employee Future Benefits And Pension Plans

Pension

Public Service Pension Plan

Eligible employees of the Corporation are covered by the public service pension plan (the Plan), a 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 1.15 times (2015 - 1.28 times) for existing employees and 1.11 times (2015 - 1.28 times) for new members entering into the plan on or after January 1, 2013. Total contributions of \$1,050 (2015 - \$992) 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:

	2016	2015
Employer's contribution	\$ 1,050	\$ 992
Employees' contribution	834	707

Northern Employee Benefits Services (NEBS) Pension Plan

Eligible employees of certain LHOs are members of the Northern Employees Benefits Services (NEBS) Pension Plan (NEBS Plan), a contributory defined benefit plan. The NEBS Plan is administered by NEBS as part of a benefits program, providing insurance, health care and pension benefits for employees of member employers in the north. NEBS is a member-owned, not-for-profit corporation of which certain LHOs are members.

The total service contributions by LHOs to the NEBS Pension Plan for the year were as follows:

	2016	2015
Employer's contribution	\$ 988	\$ 1,007
Employees' contribution	988	1,007

Participating members in the NEBS Plan are required to make contributions to the plan of 8% (2015 - 8%) of pensionable earnings, and to remit employee contributions of 8% (2015 - 8%). These contributions cover current service costs and a provision for adverse deviation.

The NEBS Plan is governed by the *Northern Employee Benefits Service Pension Plan Act* (in force since October 1, 2015) (the Act) and a plan text document maintained by the administrator of the NEBS Plan. Both the Act and the NEBS Plan text provide that participating employers are liable for their share of any funding shortfalls in the NEBS Plan as determined on a going concern basis, and on plan wind up. The Act and the NEBS Plan text provide that any going concern shortfalls, should they arise, are to be paid down over no more than 15 years and that contribution rates may be increased if necessary to do so.

Pursuant to the Act, the NEBS Plan is exempt from compliance with the *Pension Benefits Standards Act, 1985* (PBSA) and is not required to be funded on a solvency basis.

As at January 1, 2016, the NEBS Plan had a going concern surplus of \$12.5 million (2015 - \$2.6 million) and a funded ratio of 109% (2015 - 102%). The NEBS Plan serves 2,481 employee members and 93 participating employers.

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Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



Employee Future Benefits

The Corporation provides resignation, retirement and removal benefits to eligible employees. The costs of these benefits accrue either as employees render service or upon the occurrence of an event resulting in eligibility for benefits. These benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by the Government of Nunavut's management.

The Corporation also provides accumulating, non-vesting sick leave benefits that can be used only in the event of illness. The future sick leave liability is estimated actuarially using information and assumptions provided by the Government of Nunavut's management.

Employee future benefits for employees of LHOs are valued based on management estimates and have not been actuarially valued.

	2016	2015
Accrued benefit obligation, beginning of the year	\$ 1,848	\$ 1,725
Net change for the year (net of benefits paid)	(249)	123
Total Resignation, Retirement & Removal Benefits	\$ 1,599	\$ 1,848
Sick Leave Liability	368	354
Total Employee Future Benefits	\$ 1,967	\$ 2,202

12. Financial Risk Management

The Corporation is exposed to the following risks as a result of holding financial instruments:

(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 financial assets and loan guarantees, and the maximum exposure to credit risk is as follows:

Financial Assets:

	2016	2015
Cash	\$ 22,889	\$ 32,565
Accounts receivable	11,725	22,000
Portfolio investments	111,427	127,264
Mortgage receivable	3,287	1,494
Direct financing lease receivable	292	311
Total Financial Assets	\$ 149,620	\$ 183,634
Loans guarantees to CMHC related to sponsor groups	1,615	1,881
	\$ 151,235	\$ 185,515

Consolidated Financial Statements

Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

Credit risk (continued)

Although loan guarantees to CMHC related to sponsor groups are not recognized as a liability of the Corporation, there is a credit risk associated with the ability of related sponsor groups to discharge their obligations. The nature of these guarantees is discussed further in Note 14.

Accounts receivable consists primarily of amounts due from GN, CMHC and the federal government, which in aggregate represent 62% (2015 - 71%) of balances outstanding. To mitigate credit risk related to accounts receivable, the Corporation does regular follow up on their accounts receivable. The Corporation establishes an allowance for doubtful account identification that reflects the estimated impairment of accounts receivable. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

Accounts receivable are generally due in 30 days and depending on the terms and conditions of service interest may be charged at the rate specified thereafter. The Corporation utilizes an allowance account for potential credit losses related to accounts receivable.

Allowance for Doubtful Accounts:

	Tenant	Trade & Other	Total 2016	Total 2015
Balance, beginning of the year	\$ 26,956	\$ 1,400	\$ 28,356	\$ 26,851
Increase in the allowance account	1,757	243	2,000	1,505
Balance, end of the year - (Note 4)	\$ 28,713	\$ 1,643	\$ 30,356	\$ 28,356

The aging analysis of tenant accounts receivable is as follows:

	Current	Past due 31 90 days	Past due > 90 days	Total 2016	Total 2015
Tenant Receivable	\$ 868	\$ 1,067	\$ 28,710	\$ 30,645	\$ 28,410
Less: Allowance	-	(3)	(28,710)	(28,713)	(26,956)
Total Tenant Receivable	\$ 868	\$ 1,064	\$ -	\$ 1,932	\$ 1,454

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 risk associated with cash is minimized substantially by placing these assets in senior Canadian chartered banks and the Corporation monitors these assets.

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.

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. Short term and portfolio investments are managed by the Corporation's external investment managers. All investments have an R-1 (mid) or an AA (low) rating or higher from the Dominion Bond Rating Service. Investments from a single issuer are limited to the greater of 50% of the total portfolio or a maximum dollar value of \$10 million. There is no significant concentration in any one investment counterpart.

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Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



(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 not significantly exposed to interest rate risk on its investments as these investments are not held on the open market and have fixed interest rates until the end of the investment term. Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract 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 financial obligations as they fall due. 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, 2016 is as follows (the contractual cash flows reported are undiscounted and include principal payments and finance charges):

	Carrying Amount	2017 Estimated	Contractual Cash Flows			
			2018 to 2021	2022 to 2032	Total 2016	Total 2015
Long-Term Debt	\$ 11,394	\$ 2,182	\$ 5,722	\$ 9,109	\$ 17,013	\$ 19,299
Accounts Payable and Accrued Liabilities	44,912	44,912	-	-	44,912	48,526
Security Deposits	712	712	-	-	712	618
Capital Lease Obligations	3,255	639	2,205	1,294	4,138	4,777
Total Contractual Cash Flows	\$ 60,273	\$ 48,445	\$ 7,927	\$ 10,403	\$ 66,775	\$ 73,220

13. Transfers From Canada Mortgage And Housing Corporation

	2016	2015
Contributions for social housing including interest expense	\$ 17,361	\$ 17,612
Repairs, maintenance, grants and other costs	50,683	50,922
	\$ 68,044	\$ 68,534

Under the terms of a Social Housing Agreement (SHA) with Canada Mortgage and Housing Corporation (CMHC), 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 2036. 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 9). 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.

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Notes to the Consolidated Financial Statements March 31, 2016 (in thousands of dollars)

Transfers from Canada Mortgage And Housing Corporation (continued)

NHC also entered into a 5 year funding agreement extension under the Investment in Affordable Housing program. This program provides \$1.465 million per year for 5 years (2014-2015 to 2018-2019) which consists of \$1.455 million for new housing or renovation projects, and \$10,000 (ten thousand) a year for shelter enhancement.

14. Contingencies

Financial guarantees

Under the terms of the Social Housing Agreement with CMHC as described in Notes 9 and 13, 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 \$1,615 as at March 31, 2016 (2015 - \$1,881).

Environmental contingencies

In 2008, a heating oil spill occurred on the Corporation's property that was fully remediated by the Corporation by placing the contaminated soil in temporary containment cells within the Municipality of Qikiqtarjuaq's landfill site. At some point subsequent to containment by the Corporation, the Municipality of Qikiqtarjuaq moved the untreated soil to the site of a remediation facility that was being constructed but was never completed under a 2009 contribution agreement between the Corporation and the Municipality. The contribution agreement has since expired. While the Corporation has determined that it is not responsible for further remediation of the contaminated soil, there is uncertainty about whether the Corporation might be required to accept responsibility in the future by an event outside its control, the outcome of which is not currently determinable.

Legal claims

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 decisions and does not foresee any adverse effects of such potential legal decisions on the financial position or operating results of the Corporation.

15. 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:

2017	\$	37,406
2018		28,167
2019		20,692
2020		6,672
2021		2,358
2022		3,810
	\$	99,105

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Notes to the Consolidated Financial Statements March 31, 2016
(in thousands of dollars)



Contractual Obligations (continued)

The Corporation has contracted the construction of new housing units with an obligation of \$5,242 with the completion dates up to August 2016.

The Corporation has contracted modernization and improvements of existing housing units with an obligation of \$297 with expected completion in the 2016-2017 fiscal year.

The Corporation has signed land leases for various lots throughout Nunavut which are for 30 years with an annual commitment of \$626 in addition to the amount stated for the above leases.

16. Related Party Transactions

The Corporation's relationship with the various Local Housing Organizations (authorities and associations) 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. Transactions that the Corporation had with related parties during the year in carrying out its normal business are disclosed in Schedule E.

The Corporation receives services provided without charge from the Government of Nunavut (GN). These services provided by the GN 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:

	2016	2015
Office accommodations	\$ 1,027	\$ 1,004
Professional services	458	425
Employee benefits	95	879
	\$ 1,580	\$ 2,308

17. Subsequent Events

Effective April 1, 2016, the Corporation and CMHC entered into the 2016 Social Infrastructure Fund (SIF) Agreement, a supplementary agreement to the Agreement for Investments in Affordable Housing (IAH). The 2016 SIF Agreement will allocate additional CMHC funding totalling \$84.1 million over fiscal years 2016-2017 and 2017-2018 for programs targeted at seniors, victims of family violence, renovation and retrofit of social housing, and northern and Inuit housing.

18. Comparative Figures

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

Consolidated Financial Statements

Consolidated Schedule Of Other Revenue And Recoveries For The Year Ended March 31, 2016

Schedule A

(in thousands of dollars)

	2016	2015
Other Revenue and Recoveries		
Mortgage Subsidy (Loss) Recovery	\$ (5)	\$ 271
Other Revenue	2,765	1,846
Investment Revenue	1,796	2,525
Homeowner's Assistance Recovery	432	342
Mortgage Interest Revenue	103	72
Impaired Mortgage Recovery	2,248	698
Total Other Revenue and Recoveries	\$ 7,339	\$ 5,754

Consolidated Financial Statements

Consolidated Schedule Of Expense Details By Program For The Year Ended March 31, 2016

Schedule B

(in thousands of dollars)

Expenses	Social Housing Program	Staff Housing Program	Corporate Administration	Total 2016	Budget 2016	Total 2015
Agency Fees	\$ -	\$ 1,139	\$ -	\$ 1,139	\$ 1,211	\$ 1,182
Amortization	31,109	3,030	-	34,139	37,577	31,681
Bad debt	1,747	-	-	1,747	2,037	1,642
Compensation and benefits	-	1,718	12,710	14,428	16,737	14,765
Computer services	-	-	413	413	364	399
Demand and preventative maintenance - salaries	23,077	-	-	23,077	22,604	21,603
Demand and preventative maintenance - others	5,749	4,341	-	10,090	10,853	8,483
Interest on long term debt	895	193	-	1,088	1,113	1,268
LHO administration - salaries	9,557	-	-	9,557	12,010	9,656
LHO administration - others	2,847	-	-	2,847	3,095	2,641
Leasing	7,297	35,822	-	43,119	43,221	41,806
Loss on disposal of capital assets	293	-	-	293	-	342
Materials supplies and other	-	228	190	418	160	595
Office accommodations	-	-	1,287	1,287	1,170	1,321
Miscellaneous	-	-	990	990	119	205
Professional and special services	-	3	2,696	2,699	1,960	2,664
Repairs for modernization and improvements	7,521	4	-	7,525	9,621	7,429
Sponsor groups	297	-	-	297	516	342
Travel and training	-	95	2,000	2,095	2,111	1,782
Utilities, taxes and land leases	98,491	6,818	-	105,309	106,779	102,340
Land titles and fees	-	-	58	58	133	75
Communications	-	-	177	177	243	190
Building and equipment rental	-	-	143	143	82	126
Total	\$ 188,880	\$ 53,391	\$ 20,664	\$ 262,935	\$ 273,716	\$ 252,537

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Consolidated Schedule Of Tangible Capital Assets
For The Year Ended March 31, 2016

Schedule C

(in thousands of dollars)

	Social Housing	Staff Housing	Lease to Purchase	Capital Lease Cost	Warehouses & Offices	Equipment & Leaseholds	Land	Equity Land Leases	Total 2016
Cost									
Balance Opening	\$ 875,216	\$ 82,526	\$ 450	\$ 6,763	\$ 21,334	\$ 3,152	\$ 327	\$ 6,187	\$ 995,955
Transfer from Construction in Process	94,347	3,295	-	-	9	-	-	1,119	98,770
Additions	1,500	109	-	-	-	-	-	-	1,609
(Disposals)	(183)	-	-	-	-	-	-	-	(183)
Adjustments	128	(128)	-	-	-	-	-	-	-
Write-Downs	(672)	-	-	-	-	-	-	-	(672)
Balance Closing	970,336	85,802	450	6,763	21,343	3,152	327	7,306	1,095,479
Accumulated Amortization									
Balance Opening	376,316	23,990	286	4,169	9,429	2,205	-	680	417,075
Amortization	29,719	3,030	8	352	596	190	-	244	34,139
Accumulated amortization related to disposals	(143)	-	-	-	-	-	-	-	(143)
Adjustments	(225)	(34)	-	-	-	-	-	-	(259)
Balance Closing	405,667	26,986	294	4,521	10,025	2,395	-	924	450,812
Construction In Process									
Balance Opening	52,631	1	-	-	12	-	-	-	52,644
Additions	56,322	3,399	-	-	200	-	-	1,119	61,040
Transferred to cost of Tangible Capital Assets	(94,347)	(3,295)	-	-	(9)	-	-	(1,119)	(98,770)
Balance Closing	14,606	105	-	-	203	-	-	-	14,914
Net Book Value	\$ 579,275	\$ 58,921	\$ 156	\$ 2,242	\$ 11,521	\$ 757	\$ 327	\$ 6,382	\$ 659,581
Estimated Useful Life	20 years	20 years	20 years	Lease Term	20 years	5 years	-	Lease Term	

Consolidated Financial Statements

Consolidated Schedule Of Tangible Capital Assets
For The Year Ended March 31, 2016

Schedule C (continued)

(in thousands of dollars)

	Social Housing	Staff Housing	Lease to Purchase	Capital Lease Cost	Warehouses & Offices	Equipment & Leaseholds	Land	Equity Land Leases	Total 2015
Cost									
Balance Opening	\$ 866,958	\$ 75,734	\$ 450	\$ 24,825	\$ 20,311	\$ 3,152	\$ 327	\$ 5,270	\$ 997,027
Transfer from Construction in Process	8,770	6,792	-	-	1,023	-	-	917	17,502
Additions	182	-	-	-	-	-	-	-	182
(Disposals)	-	-	-	(18,062)	-	-	-	-	(18,062)
Write-Downs	(694)	-	-	-	-	-	-	-	(694)
Balance Closing	875,216	82,526	450	6,763	21,334	3,152	327	6,187	995,955
Accumulated Amortization									
Balance Opening	350,348	20,896	278	20,980	8,803	1,967	-	473	403,745
Amortization	26,257	3,094	8	1,251	626	238	-	207	31,681
Accumulated amortization related to disposals	-	-	-	(18,062)	-	-	-	-	(18,062)
Adjustments	(289)	-	-	-	-	-	-	-	(289)
Balance Closing	376,316	23,990	286	4,169	9,429	2,205	-	680	417,075
Construction In Process									
Balance Opening	10,832	2,996	-	-	343	-	-	-	14,171
Additions	50,569	3,797	-	-	692	-	-	917	55,975
Transferred to cost of Tangible Capital Assets	(8,770)	(6,792)	-	-	(1,023)	-	-	(917)	(17,502)
Balance Closing	52,631	1	-	-	12	-	-	-	52,644
Net Book Value									
Net Book Value	\$ 551,531	\$ 58,537	\$ 164	\$ 2,594	\$ 11,917	\$ 947	\$ 327	\$ 5,507	\$ 631,524
Estimated Useful Life	20 years	20 years	20 years	Lease Term	20 years	5 years	-	Lease Term	

Consolidated Financial Statements

Reconciliation Of Main Estimates to PSAS Adjusted Budget

Schedule D

(in thousands of dollars)

	2016	2015
Revenues		
Government of Nunavut		
Approved Main Estimates	183,856	172,873
Supplementary Appropriations	11,061	22,224
GN Capital Budget	30,072	30,230
Services without Charge	2,300	2,300
Increase in LHO Rent Assessments	-	(3,000)
	43,433	51,754
Contribution from the Government of Nunavut	227,289	224,627
Canada Mortgage and Housing Corporation (CMHC)		
CMHC Contribution	29,849	30,131
CMHC Capital Budget	41,057	64,204
CMHC Portion of Debt Repayment	(12,467)	(12,529)
	28,590	51,675
Contribution from CMHC	58,439	81,806
Generated revenues	18,341	16,879
Increase in rent assessments	-	3,000
	18,341	19,879
Total PSAS Adjusted Revenues Budget	304,069	326,312
Expenditures		
Public Housing		
Approved main estimates	164,040	155,710
Supplementary appropriation	4,376	2,224
Operating portion of capital budget	9,361	11,312
Amortization expense	33,071	31,365
Debt Repayment	(13,921)	(15,386)
Rent Assessments	2,037	3,000
	198,964	188,225
Staff Housing		
Approved main estimates	49,679	47,383
Operating portion of capital budget	260	200
Amortization expense	4,506	2,961
Principal portion of debt payment	(320)	(301)
	54,125	50,243
Corporate Administration		
Approved Main Estimates	18,327	16,790
GN Services Without Charge	2,300	2,300
	20,627	19,090
Home Ownership		
Operating portion of capital budget	4,616	4,616
Homelessness		
	10	10
Total PSAS Adjusted Expense Budget	278,342	262,184
Surplus/(Deficit)	25,727	64,128

Consolidated Financial Statements

Related Party Transactions And Balances At March 31, 2016

Schedule E

(in thousands of dollars)

Consolidated Financial Reporting Entity	Asset Balances	Liability Balances	Revenue Balances	Expense Balances
Consolidated Revenue Fund				
Office of the Legislative Assembly	\$ -	\$ -	\$ -	\$ -
Departments				
- Community and Government Services	24	477	148	897
- Culture and Heritage	-	-	-	-
- Economic Development and Transportation	-	-	1	-
- Education	-	5	126	-
- Environment	-	-	-	-
- Executive and Intergovernmental Affairs	17	-	17	-
- Family Services	40	-	128	-
- Finance (Govt Funding)	-	-	226,569	-
- Finance (Other)	134	4,270	259	2,492
- Health	473	7	989	-
- Justice	-	3	22	-
Territorial Corporations				
Nunavut Arctic College	-	7	5	4
Nunavut Business Credit Corporation	-	-	-	-
Nunavut Development Corporation (including subsidiaries)	-	-	4	-
Qulliq Energy Corporation	6	7,585	4	29,766
Revolving Funds				
Liquor Revolving Fund	-	-	-	-
Petroleum Products Revolving Fund	8	5,878	-	21,295
Other Public Service Bodies				
District Education Authorities	-	-	-	-
Human Rights Tribunal	-	-	-	-
Labour Standards Board	-	-	-	-
Legal Services Board	-	-	-	-
Nunavut Liquor Licensing Board	-	-	-	-
Quillit Nunavut Status of Women Council	-	-	-	-
Total Related Party Balances	\$ 702	\$ 18,232	\$ 228,272	\$ 54,454

