

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;

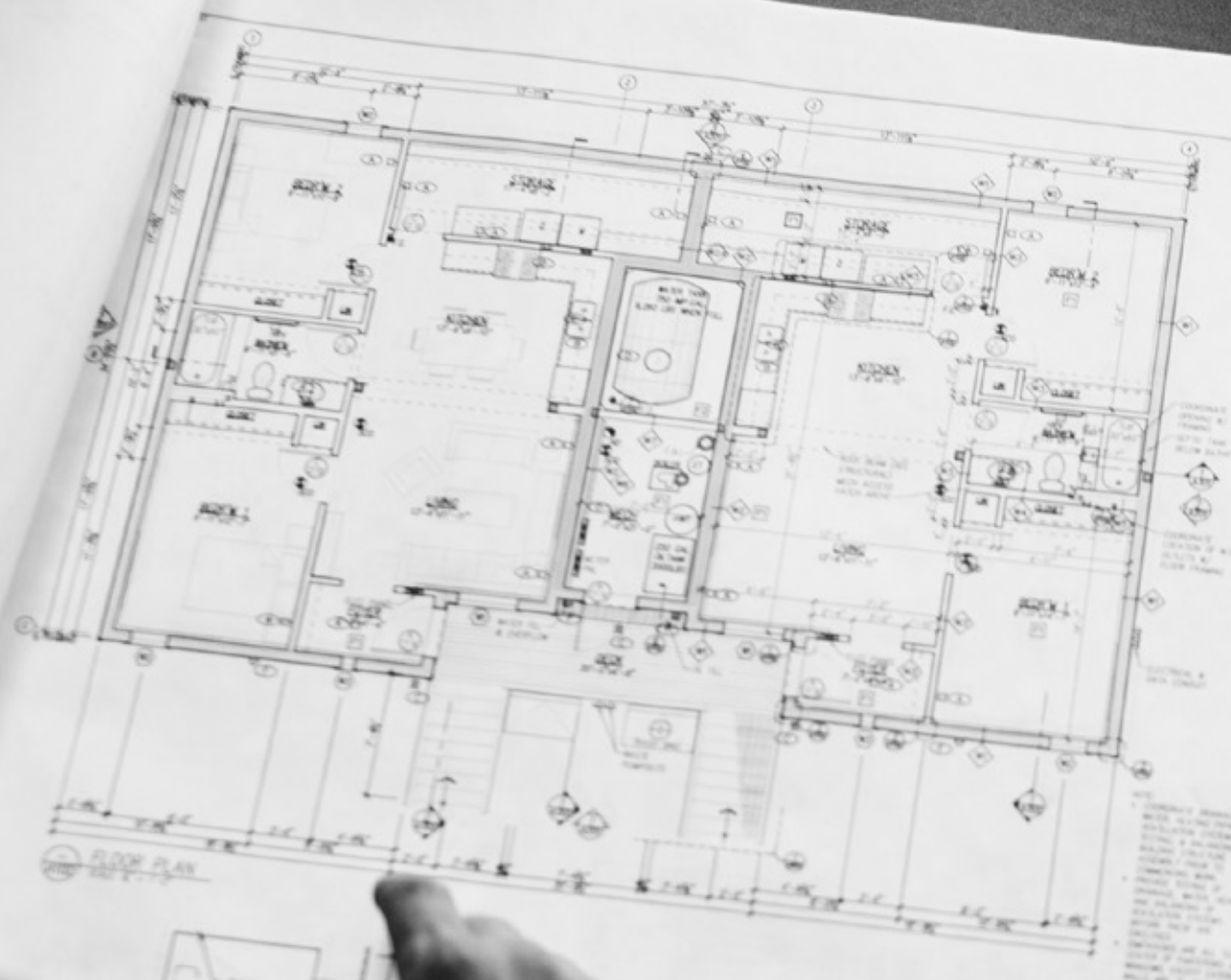
Ensuring housing services and support are provided in an equitable manner;

Use of Inuit Qaujjimajatuqangit (IQ) in Corporation decision-making; and

Building constructive relationships with other governments, agencies, departments, and both community and Aboriginal organizations







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Table of Contents

Letter of Transmittal	2
Minister's Message	3
Chairperson's Message	4
President's Message	5
Corporate Overview	7
Consolidation	7
Core Business	7
Public Housing	7
Staff Housing	7
Homeownership	7
Homelessness	7
Board of Directors	8
Departmental Roles	10
Organizational Chart	11
Priorities and Objectives	12
Core Business	12
Public Housing	13
Staff Housing	15
Homeownership	15
Management's Discussion	17
Report on Operations	17
Advisory and Administration Services	18
Public Housing	21
GN Staff Housing	25
Homeownership Programs	26
Construction Program	30
Consolidated Financial Statements	32

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, 2014 to March 31, 2015.

Respectfully submitted,

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

Hon. George Kuksuk
Minister Responsible for the Nunavut Housing Corporation

Minister's Message

It has been a very interesting and exciting year in my role as the Minister Responsible for the Nunavut Housing Corporation. The 2014-2015 fiscal year has been very productive for the NHC, as it moved towards fulfilling its Sivummut Abluqta mandate objectives.

I was particularly pleased with the Corporation's efforts in the delivery of the \$100 million in federal funding for new public housing, announced last year. Construction for the planned 213 new public housing units is now well underway, and within timelines, with many units to be completed by summer 2015.

The announcement of \$10 million in savings, through the re-introduction of Supply Ship and Erect contracting for major construction projects, has meant the addition of 45 more units to the total number of planned projects. These accomplishments speak to the Corporation's dedication in addressing Nunavut's severe overcrowding.

I was also pleased to work with the NHC's Board of Directors as well as the President and CEO in advancing the GN's "Igluliuqatigiilauqta: Let's Build a Home Together" initiative. This year saw the approval of a collaborative approach for

the creation of the Blueprint for Action on Housing, an action plan to support the implementation of the GN Long-Term Comprehensive Strategy and Framework.

The Blueprint for Action will focus on a number of issues, including the Sivummut Abluqta obligations to deliver more energy efficient and economical solutions, and ensure more affordable housing options and alternatives are available to meet people's varied needs, including the needs of a growing elder population.

I have enjoyed working with the Board of Directors, Senior Management at the NHC, and our community partners throughout 2014-2015. As we continue to work together, I look forward to addressing the challenges that next year will bring.

Sincerely,



Hon. George Kuksuk
Minister Responsible for the Nunavut Housing Corporation



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 2014-2015 Nunavut Housing Corporation Annual Report. The Board worked closely with the Corporation's senior management team to provide strategic direction on a number of fronts.

The most critical initiative facing the Corporation this past year has been the delivery of Nunavut's \$100 million in Economic Action Plan funding from the Federal government. I am proud to report that through careful planning and oversight, the total number of units planned for construction grew by 45, for a total of 258 thanks to \$10 million in savings.

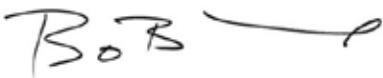
The Board also ensured that the Corporation is fulfilling its responsibilities as the lead on the Government of Nunavut's "Igluliuqatigilauqtaq, Let's Build a Home Together" initiative to develop a comprehensive, long term housing strategy. The focus for the year was on advancing the planning and preparation of the development of the Blueprint for Action on Housing, the final step in the three part initiative.

These initiatives would not be possible without the dedication of Nunavut Housing Corporation Staff. To ensure that this important work can be completed on time and within budget, the Board of Directors, along with NHC Senior Management welcomed the approval of 21 new indeterminate positions, recommended through an internal Organizational Review. These positions will be filled over the coming months, and will be critical to the success of the organization.

Within the Board of Directors, Ms. Vicky Aitaok, and Mr. Gordon MacPherson both saw their terms as Board members end in the fall of 2014. We thank the members greatly for their contributions, and although their presence on the Board and at the NHC will be missed, we are looking forward to filling these two Director positions in 2015-2016.

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 commitment to strengthening advocacy efforts, we look forward to meeting the challenges and opportunities of 2015-16.

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

President's Message

Fiscal 2014-2015 set a new stage for the Nunavut Housing Corporation. Although the year was not without its challenges, the Corporation achieved a number of successes as it continued to address Nunavut's daunting, but not insurmountable housing crisis.

The most significant accomplishment for the year was the realization of \$10 million dollars in savings with regards to the construction of the 213 planned units under the \$100 million federal Economic Action Plan funding.

These savings were realized through the implementation of Supply Ship and Erect (SSE) contracting, along with careful planning and coordination with key GN agencies and municipalities around land development and infrastructure capacity.

By matching these savings with the NHC's capital funding for 2015-2016, we were able to procure a total of 258 desperately needed units. Construction of the initial 213 units is well under way and on target both in terms of budget and schedule.

The NHC's \$27 million in rental and tenant damage arrears at the end of 2014-2015, represent a formidable challenge in terms of front line capacity in improving collection rates. Arrears accumulated by public housing tenants and homeownership program clients threaten the NHC's ability to continue to support Nunavummiut in having a safe, suitable and affordable home. The over \$27 million in rental arrears currently owed to the NHC could pay for the construction of almost 60 new public housing units.

To deal with this priority, the NHC is moving forward with the expansion of two pilot projects. The first project aims

to strengthen the collection process by focusing on the top 5-10 worst accounts in 7 participating communities. These 49 targeted accounts represent \$1,731,789 in arrears. The second project targets former tenants in Cambridge Bay, Gjoa Haven and Kugluktuk with high arrears through the engagement of a collection agency (Action Collection) to collect on 42 accounts. Although still in its preliminary stages, early results demonstrate the effectiveness of the Corporation's new stricter stance in the application of collection policy introduced in 2013-2014.

Addressing the housing crisis requires greater collaboration between many stakeholders. Throughout the year, the NHC also continued to work on the developing the Blueprint for Action for the GN Long-Term Comprehensive Housing Strategy, with a focus on engagement and cooperation between GN departments and agencies. The engagement process will take place between spring 2015 and winter 2016 and will involve a series of multi-party and one-on-one sessions.

While there is still much more work to do going forward to ensure Nunavummiut have access to the housing they deserve, I am proud of the Corporation's accomplishments in 2014-2015. These would not have been possible without the commitment and dedication of the Board of Directors, our local housing partners, and NHC staff. Backed by such a strong team, I look forward to meeting our priorities for 2015-2016.

Sincerely,



Lori Kimball,
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 2014-2015 fiscal year.

Core Business

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

Public Housing

The NHC delivers a community-sensitive Public Housing Program by providing financial resources and ongoing professional support to its local delivery agents, the 25 Local Housing Organizations. LHOs are responsible for the complete care of the 5,153 units in the public housing portfolio (as of March 31, 2015), from unit allocations and rental assessments/collections, to maintenance and repairs, and energy upgrading.

Staff Housing

The Corporation administers the Government of Nunavut Staff Housing program, which includes both leased and owned units, and provides policy support to enhance housing options and services available to GN staff in Nunavut. The LHOs and other management agents have the responsibility of maintaining the 1,480 units used for staff housing at a local level (as of March 31, 2015).

Homeownership

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

Homelessness

The provision of these services transferred to the new Department of Family Services effective April 1, 2013. However, NHC continues to provide support in the form of contributions for Shelter Enhancements through funding received under the Investment in Affordable Housing Agreement with Canada Mortgage and Housing Corporation (CMHC).

Board of Directors

Pursuant to the Nunavut Housing Corporation Act (“the Act”), the Nunavut Housing Corporation implemented a Board of Directors in the fall of 2011. In doing so, the Corporation fulfilled a major recommendation of the Auditor General’s 2008 Performance Audit.

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 Nunavut Housing Corporation Act, which requires no fewer than five and not more than seven Directors. Board of Director 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 five directors with diverse backgrounds and experience in Northern housing, public policy, finance, project management, property management and social program development.

Board Actions and Approvals

On November 1st, 2014, Messrs. John Ningark and John Apt were appointed Directors of the Corporation for three year terms expiring on October 31st 2017. On February 11th, 2015, Mr. John Apt was elected Chair of the Audit Committee.

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

- Recommended the appointment of the President and Chief Executive Officer to the Minister.
- Recommended that the Corporation proceed with a Request for Proposal for the Government of Nunavut’s Housing Blueprint for Action.
- Approved the creation of the position of In-house Legal Counsel for submission to Cabinet.
- Approved the 2014-2017 and the 2015-2018 Business Plans for submission to Cabinet.
- Approved the 2015-2020 Five Year Capital Plan for submission to Cabinet.
- Approved the 2015-2016 Main Estimates for submission to Cabinet.
- Approved the Surplus Fixed Assets Disposal Policy.
- Approved the Collection Policy and Collection Procedures Manual.
- Recommended amendments to Homeownership Programs for submission to Cabinet.

Meetings of the Board

During the year, the Board held seven meetings (4 tele-conferences and 3 face-to-face meetings) during which the Board passed 13 financial reporting resolutions, 8 operational resolutions, and 5 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 principles, including disclosures through Management’s Discussion and Analysis.

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.

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.

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.

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 past 10 years.

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.

Departmental Roles

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

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.

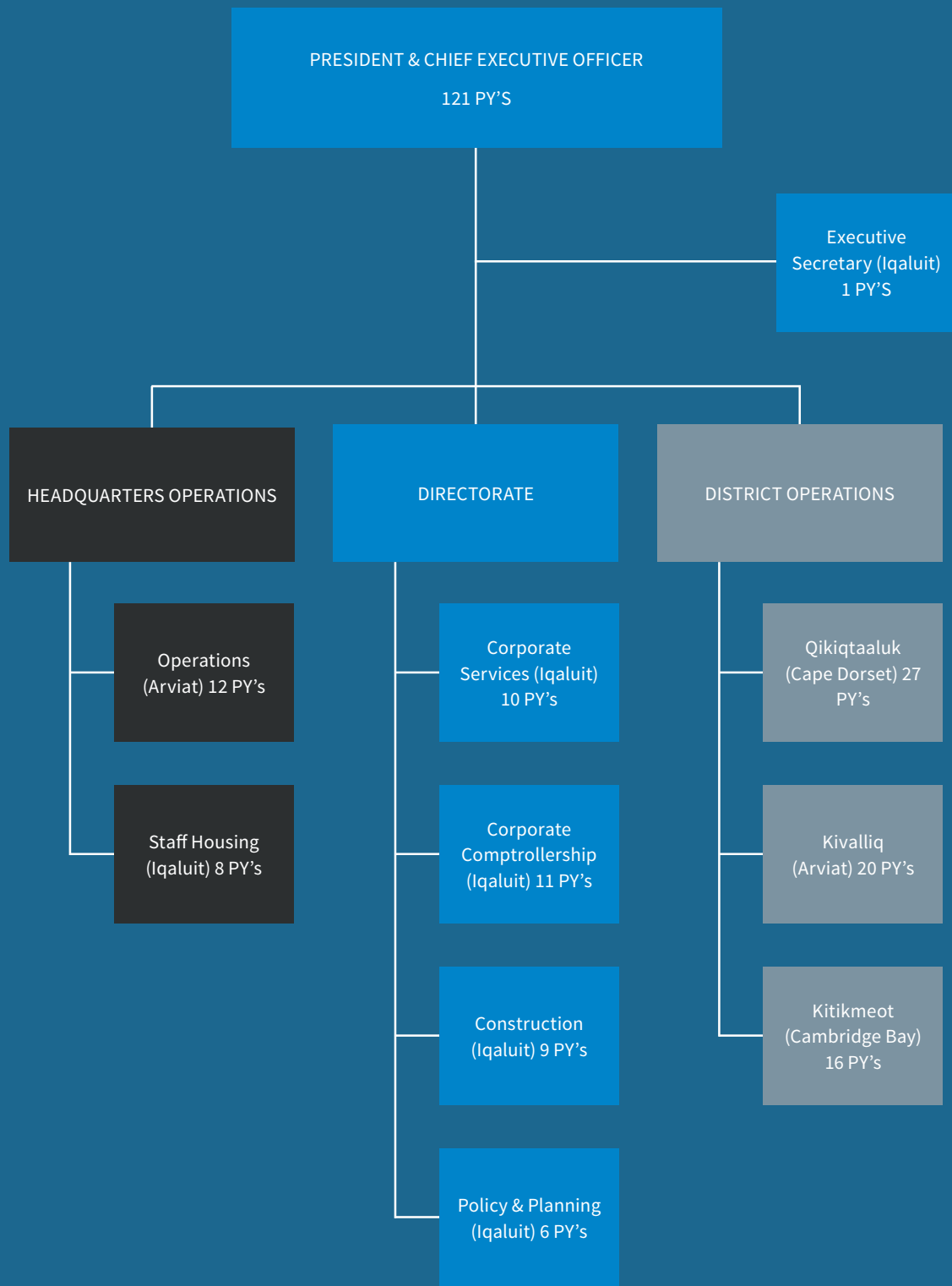
District Offices

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.



Organizational Chart

Priorities and Objectives

The Corporation's priorities and objectives for the fiscal year 2014-15:

Core Business

Establish interdepartmental collaboration structure for the development of a multi-year Action Plan for the GN Comprehensive Long Term Housing Strategy.

Status: *NHC issued a Request for Proposal (RFP) for facilitation and reporting services for the interdepartmental consultation process and the preparation of the Blueprint for Action. This contract was awarded in March 2015, with the consultation process expected to wrap up in early 2016, and the delivery of the final Blueprint for Action delivered before the end of 2016.*

Ensure the Action Plan focuses on developing more energy efficient and economical solutions to housing, and on more affordable housing options and alternatives to meet peoples varied needs.

Status: *The RFP for facilitation and reporting services for the interdepartmental consultation process identifies the need for more energy efficient and economical solutions to housing, more affordable housing options, and alternatives to meet peoples varied needs.*

Implement approved recommendations as a result of NHC's comprehensive organizational structure review.

Status: *NHC has initiated steps to begin the first round of competitions. The balance of the organizational review will be implemented throughout fiscal 2015/16.*

Engage 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 is an active member of the Provincial and Territorial (P/T) housing forum, which is currently developing a coordinated federal engagement strategy to raise the debate regarding the need for a long term funding solution for housing to the national level. NHC attended a Deputy level FPT held in November 2014. As well, NHC has signed the extension of CMHC's Investment in Affordable Housing Initiative in the fall of 2014, and has incorporated that funding into its annual construction planning.*

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

Status: *NHC continues to undertake and support research activities, including providing support for research being conducted through Laval University to review the correlation between overcrowding and health conditions. NHC is also an active member of the Technical and Socioeconomic working groups of the Tri-Territorial Housing Committee, as well as various P/T working groups.*

Work with Nunavut Tunngavik Inc.(NTI) to address affordable housing needs in Nunavut in accordance with Aajiqatigiinniq.

Status: *NHC is committed to working with NTI on housing related issues and anticipates continuing to engage with NTI on the development of the Blueprint for Action*

Work with the Department of Culture and Heritage to implement the Inuit Language Protection Act (ILPA) and Official Languages Act (OLA).

Status: *NHC continues to work on activities identified in the ILPA and OLA action plan, and anticipates having LHO and office signage updated before the end of 2015.*

Identify training, mentoring, development and staffing opportunities for Nunavut Land Claim Agreement (NLCA) beneficiaries within NHC and its network of Local Housing Organizations, to support the development of a long term Inuit Employment Plan for the NHC.

Status: *Several beneficiaries have been offered mentoring and GN training opportunities, and are being trained to perform duties of increasing responsibility. One District Office is now using a three-year training program for beneficiaries. Work has also begun on the mapping out of an employment succession plan to establish a long-term path for Inuit employees to progress through various NHC positions from administrative or manual labour to senior management and executive level.*

Public Housing

Monitor the construction of additional housing funded under the \$100 million 2013 Economic Action Plan from the federal government.

Status: *In the fall of 2014, NHC announced that it had realized a savings of \$10 million through changes in its planning, design, procurement methods and project management. As a result, in combination with the GN's planned \$10 million in Capital funding for 2015/16, NHC anticipates being able to procure an additional 45 units, for a total of 258 units.*

Monitor the construction of new public housing funded through the GN's 2014-2015 capital plan.

Status: *Planned public housing for Sanikiluaq and Arviat have been successfully tendered within budget, and are on schedule to be completed by December 2015. Housing in Iqaluit, under this funding, has been delayed due to issues with land availability. However, NHC is actively in discussions with the city regarding options, including changes to zoning of existing owned land.*

Develop a five-year Public Housing portfolio expansion plan to implement the 2014-2019 extension of the Investment in Affordable Housing (IAH) agreement with the federal government.

Status: *NHC has continued to refine its allocation methodology that has now been expanded to include Public Housing applicants with arrears. Allocations and planning are being updated to reflect the increases to the planned GN capital funding that are reflected in the 2014-2019 year capital plan.*

Research and incorporate more energy efficient and economical solutions for construction of housing.

Status: *NHC's 5-plex design was revised and resulted in a \$700,000 savings for each building. NHC is continuing to review other options for more energy efficient and economical solutions for the construction of housing.*

Identify activities to promote apprenticeship in support of the IAH agreement.

Status: *NHC's construction contracts require contractors to employ registered apprentices that identify themselves within a community. NHC continues to work with the Department of Family Services to develop a better process to coordinate opportunities for apprentices to satisfy their experience requirements and progress through their training.*

Implement identified activities in support of the NHC's Tenant Engagement Campaign.

Status: *NHC is in the process of updating its website to make it more navigable and information more accessible to meet the needs of NHC's clients and tenants. The new website is expected to launch in the fall of 2015.*

Complete vendor selection for the new financial and property management software

Status: *Through the work to prepare a formal RFP for software, NHC determined that a Business Process review should be completed prior to proceeding with procurement of software. NHC will be seeking a consultant to assist with this process, and anticipates having that process initiated prior to the end of fiscal 2015/16.*

Develop multi-year implementation plan for the new financial and property management software in consultation with LHOs and other stakeholders.

Status: *NHC has determined that a Business Process review is required prior to moving forward with a long-term solution. As such, the development of a multi-year implementation plan has been deferred until the software solution is identified.*

Complete roll out of collections policy and procedures to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.

Status: *NHC implemented an updated collections policy & procedures manual, and established a working group, including LHO representatives, to review and develop an arrears reduction strategy. The overall 2014/15 collection rate of 88.38% was slightly lower than the previous year rate of 89.6%.*

Results from communities that were included in the collections pilot project were positive and are reflected in the improved collection rates in Gjoa Haven (from 97.4% last year to 112.2%), Kimmirut (from 75% to 96.9%); Qikiqtarjuaq (84.6% to 87.0%), Arviat (75.9% to 83.1%) and Clyde River (57.3% to 70.0%). As a result of the success of the collection pilot project, this initiative will be rolled out to other communities with a specific focus on those with poor collection rates.

Research and initiate the development of alternate affordable housing options to support a full housing continuum in Nunavut, as identified in the GN Long Term Comprehensive Housing and Homelessness Strategy.

Status: *NHC has been consulting with the department of Health in regards to the development of pilot projects to fill gaps in the continuum of care, primarily in the form of providing housing units for supportive care programs. Further consultation through the Blueprint for Action, to identify additional affordable housing initiatives, is anticipated to be complete by early 2016.*

Strengthen occupational health and safety plan in consultation with WSCC for both NHC and LHO operations.

Status: *NHC filled its Health & Safety Officer position in March 2015. This position will coordinate the development of a comprehensive health and safety training plan in consultation with the NHC's District offices and LHO partners.*

Monitor impact of changes made to the public housing rent scale and identify how the new rent scale software can assist the NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut.

Status: *NHC is producing monthly reporting from the new rent scale software, as well as certain key statistics on a quarterly basis. These reports will continue to be used to analyze the capacity of public housing tenants to transition to other housing options. As part of the Blueprint for Action, this information will be used to identify various client groups, based on their financial situation and needs. Identification of different client groups will support the development of more targeted programming to meet existing needs.*

Staff Housing

Research alternative approaches for the delivery of staff housing in emerging market communities.

Status: *NHC has prepared an outline for a comprehensive staff housing policy and program review. This review is being overseen by the Building Capacity Committee. The development of options to address employees' housing needs will also be included in the Blueprint for Action.*

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

Status: *NHC completed construction of a staff housing 10-plex in Cambridge Bay in October 2014. As well, NHC has successfully tendered and awarded contracts for the construction of four duplexes in Arviat, Chesterfield Inlet, Whale Cove, and Kugluktuk, which are scheduled to be completed in 2015. NHC was also able to lease additional staff housing in several communities because of the increase in annual lease funding.*

In partnership with the Department of Finance, continue to work in close partnership with GN departments to meet their staff housing requirements.

Status: *NHC has worked closely with the departments to identify an approach for the development of improved forecasting and planning tools. As well, NHC enhanced the reporting on the existing staff housing program to reflect current housing conditions.*

Homeownership

Research and develop proposed changes to NHC's home ownership programs resulting from the GN Comprehensive Long Term Housing Strategy.

Status: *NHC implemented several changes to existing homeownership programs in the fall of 2014, which will enable more Nunavummiut to access homeownership assistance going forward. As well, NHC will continue its review of homeownership programs as part of the Blueprint for Action.*

Monitor the success and impact of the homeownership programs with data collected from the Homeownership Applicant Database

Status: *NHC completed the development of a Homeownership Applicant Database prototype, and continues to refine the data being collected. As well, in conjunction with the implementation of the organizational review, NHC anticipates centralizing its homeownership application process in early 2015/16. This will improve data collection, and NHC's ability to respond to homeowner needs.*

Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling. All NHC programs will be posted on the NHC website.

Status: *NHC ensures that all programs are updated on its website. NHC will be launching its new website in the fall of 2015.*



Management's Discussion

Report on Operations

Directorate & Corporate Headquarters

In 2013-2014 CMHC announced \$100 million in new funding under the Economic Action Plan (EAP). NHC has issued contracts to build 258 new units across 14 communities. The Government of Nunavut provided \$10 million in capital funding in 2014/15 which was matched with \$1.455 million of CMHC funding under the Investment in Affordable Housing (IAH), which funded the construction of a five-plex in Sanikiluaq, and a five-plex in Arviat (still under construction as at March 31, 2015).

In prior years, the NHC completed the development of a strategic framework along with the GN's Comprehensive Long Term Housing and Homelessness Strategy. During fiscal 2014/15 NHC began working on the development of a realistic and achievable Blueprint for Action to address the housing crisis in Nunavut, which is expected to be completed by the end of 2016.

Districts

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

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

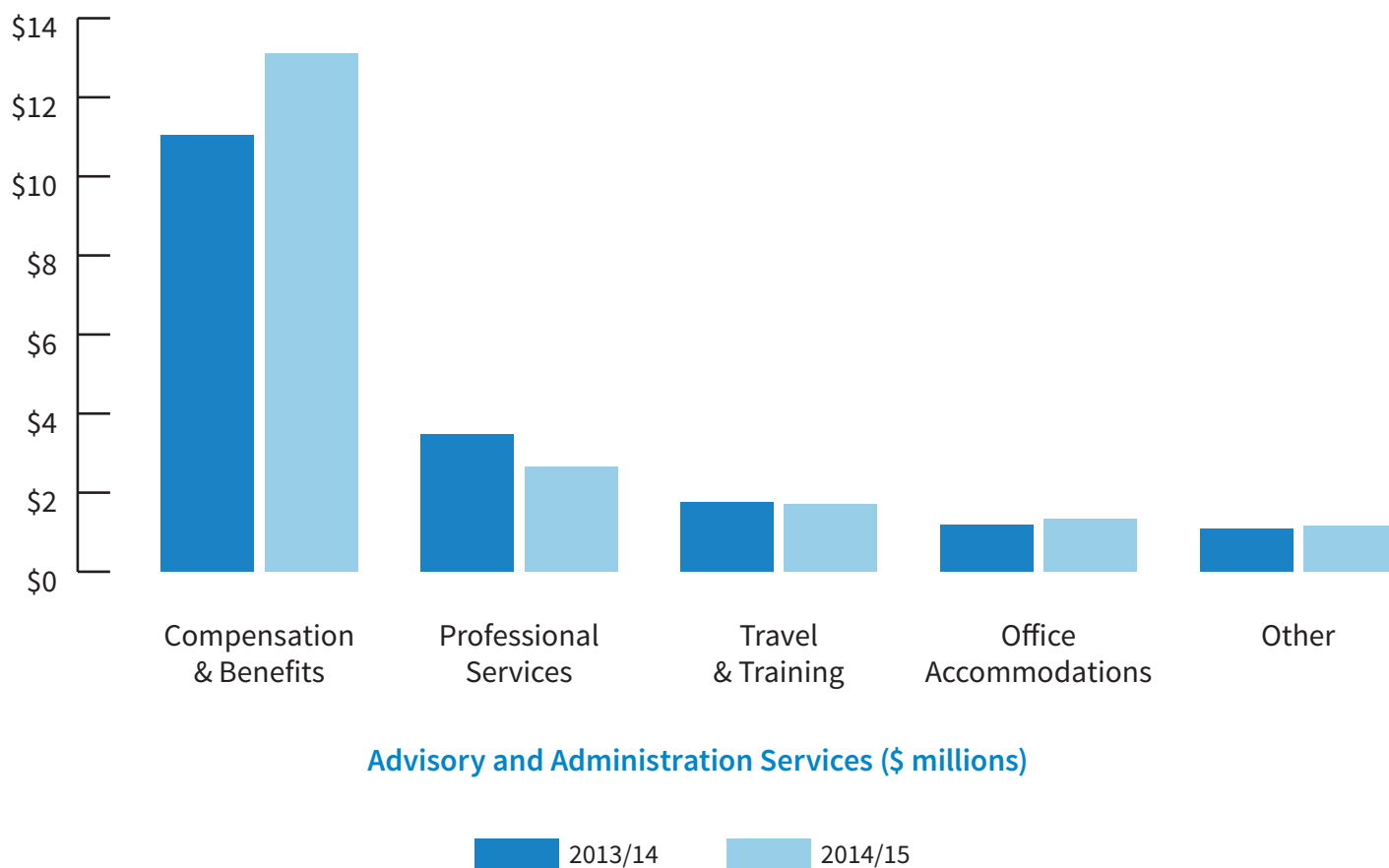




Advisory and Administration Services

Administration

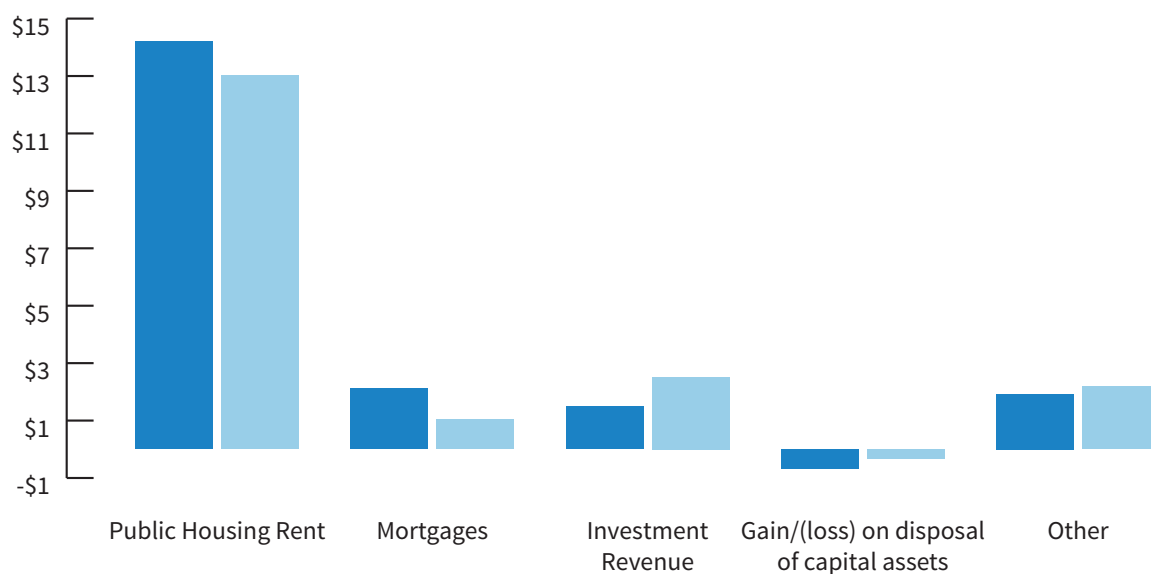
In 2014/15, administration costs (not including administration related to staff housing) increased from \$18.545 million to \$19.927 million primarily due to a \$2 million increase in compensation and benefits. Spending on travel and training, and professional services decreased slightly.



Total Revenues & Government Funding

Total Revenues increased from \$246.3 million to \$314.6 million in 2014/15. Government funding increased from \$227.3 million to \$296.2 million. This included an increase of \$30.7 million in funding from the Government of Nunavut and \$38.3 million in funding from CMHC.

Other revenues decreased from \$19.0 million to \$18.4 million mainly due to a decrease in social housing rental assessments and mortgage revenues. These decreases were mitigated by an increase in investment revenues. These other revenues can be broken down as follows:



Non-Government Revenues (\$ millions)

■ 2013/14 ■ 2014/15

The Corporation's most significant generated revenue is public housing rent. During fiscal 2014/15, the collection rate decreased from 89.6% to 88.4%.

The collection rate improved in twelve communities when compared to last year, with six communities registering increases of more than 12% and as high as 23%.

The drop in the collection rate was driven by seven communities whose collection rate dropped to below 80%. The Corporation's collection pilot project has been a success with the collection rate for three pilot communities of Kimmirut, Clyde River and Qikiqtarjuaq improving by 21%, 12.7% and 2.4% respectively. In the coming year, the collection initiative will be extended to other communities who currently have a low collection rate.

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 2014/15.

Details by community are as follows:

Community	Rent Receivable (dollars)	Number of Months Outstanding	2014/15	2013/14	2012/13
Iqaluit	2,781,765	27	109.5%	114.5%	82.8%
Sanikiluaq	893,163	28	102.9%	85.0%	81.7%
Kimmirut	367,645	18	96.9%	75.1%	94.4%
Resolute Bay	211,364	18	96.8%	102.4%	88.8%
Arctic Bay	1,571,944	46	93.2%	91.0%	75.6%
Grise Fiord	105,401	12	89.1%	92.3%	92.7%
Qikiqtarjuaq	690,410	27	87.0%	84.6%	67.8%
Pond Inlet	1,990,512	27	81.3%	94.2%	82.3%
Cape Dorset	1,334,953	27	76.6%	85.6%	85.2%
Pangnirtung	1,397,954	21	76.5%	95.1%	91.3%
Hall Beach	2,721,455	59	74.5%	75.7%	73.6%
Igloolik	1,362,124	22	70.8%	89.4%	83.1%
Clyde River	2,684,563	51	70.0%	57.3%	41.0%
Baffin	18,113,253	31	85.7%	90.0%	77.9%
Whale Cove	69,018	8	118.0%	95.0%	104.3%
Chesterfield Inlet	67,606	4	97.7%	109.9%	91.3%
Baker Lake	1,485,079	18	96.7%	75.3%	88.4%
Coral Harbour	143,715	5	93.6%	102.1%	86.7%
Arviat	1,415,627	21	83.1%	75.9%	72.3%
Repulse Bay	371,985	13	79.4%	86.2%	82.4%
Rankin Inlet	892,443	12	76.9%	99.0%	102.2%
Kivalliq	4,495,473	14	87.6%	87.1%	89.5%
Gjoa Haven	1,394,172	34	112.2%	97.4%	78.1%
Cambridge Bay	1,710,231	38	97.5%	100.7%	71.2%
Taloyoak	1,307,627	32	96.8%	89.3%	75.1%
Kugluktuk	942,586	20	93.6%	85.9%	83.6%
Kugaaruk	496,632	24	79.9%	77.4%	59.3%
Kitikmeot	5,851,248	30	97.7%	92.0%	74.8%
Nunavut	28,409,974	26	88.38%	89.6%	80.1%

Accumulated Surplus

During fiscal 2012/13, the Nunavut Housing Corporation adopted the Public Sector Accounting Standard 3410 relating to Government Transfers. In the past funding related to the acquisition of capital assets was deferred and amortized over the same period as the corresponding capital asset.

Therefore, the net effect of amortization of deferred capital and amortization of the asset had minimal impact on the annual surplus or deficit incurred during the year. The new standard requires that the funding be recognized as income as it is expended.

Consequently, the full amount of funding is recognized immediately, while the asset acquired with that funding is amortized as expense over many years. The result is that there will be a net impact on an annual basis.

If the impacts of this accounting change were excluded, the surplus generated for 2014/15 would have been \$7.2 million (2014 - \$5.9 million), which would have resulted in a cumulative surplus of \$34.9 million (2014 - \$27.7 million).

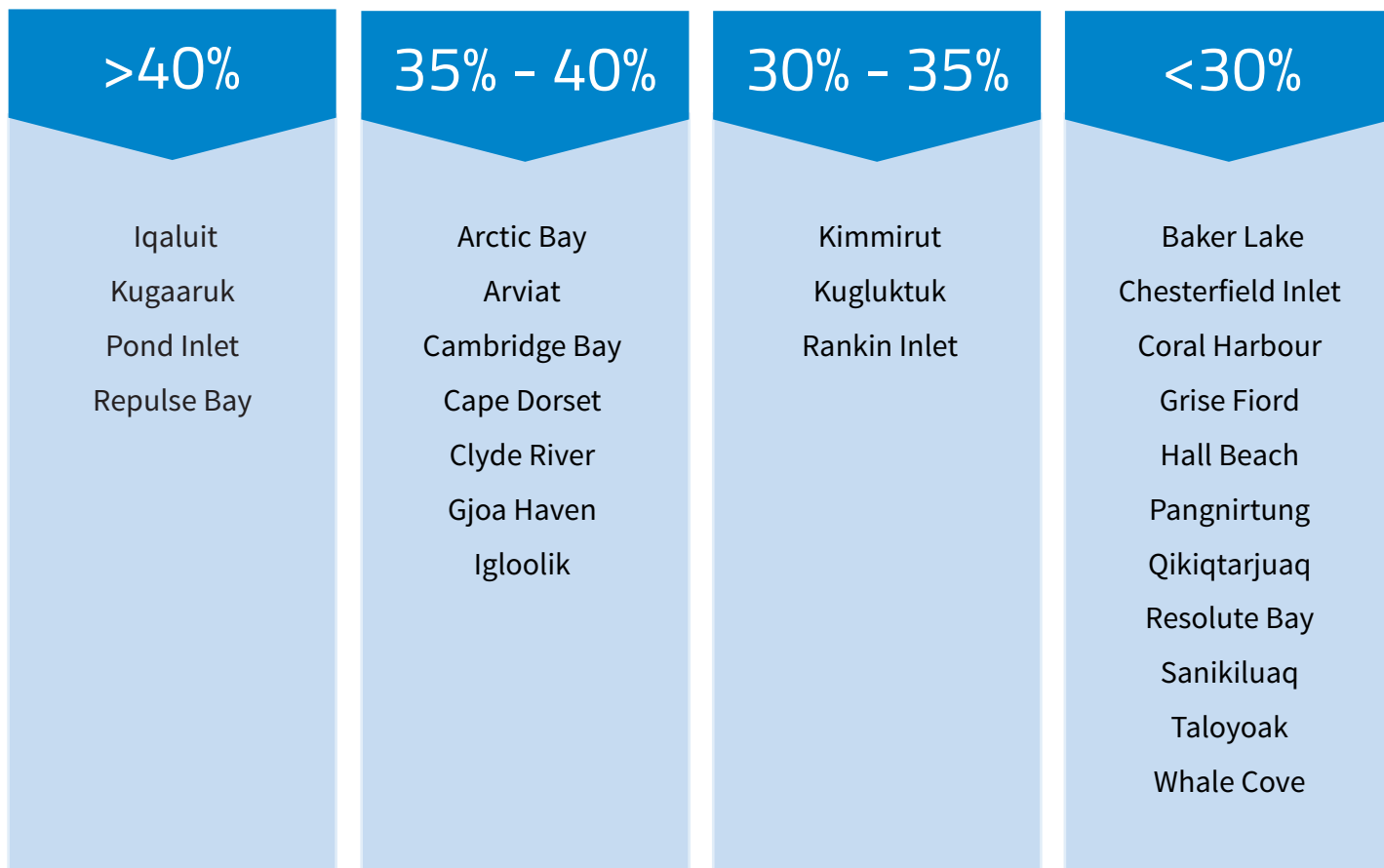
The closing accumulated surplus balance of \$702.9 million is not funds available for use. Non-financial assets will be amortized and expensed during the course of their useful life which will draw this balance down over time. This simply represents the value of NHCs assets less its liabilities

Public Housing

In 2014-2015, the Corporation recorded a write-down of \$219,472 for 9 public housing fire damaged units. An additional write-down of \$525,800 was recorded in respect of fire damaged properties arising from prior years for a total of \$745,271.

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 30% have a less severe need. The Corporation uses housing need as a percentage of stock to prioritize new construction.

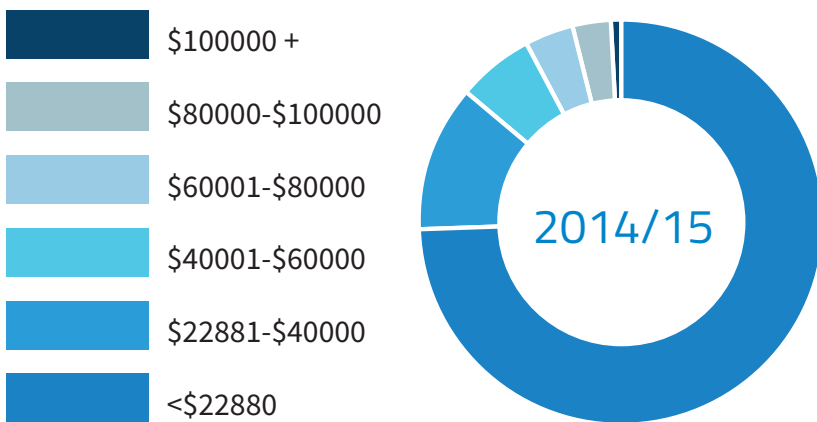
Housing Need as a Percentage of Stock



Public Housing Income Distribution

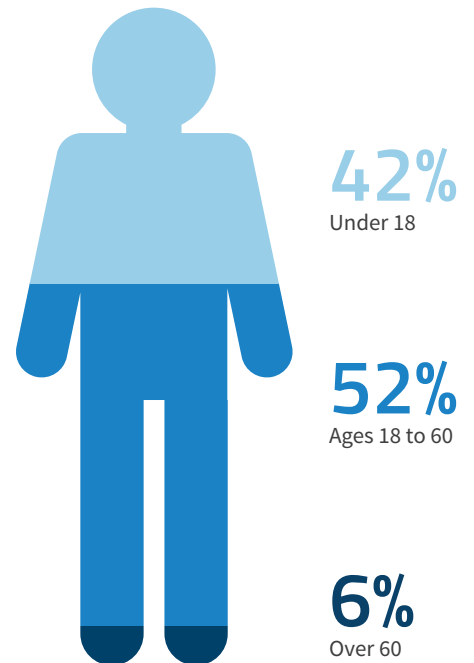
(All of Nunavut)

The chart below shows income levels of public housing tenants across the territory. 74.7% of the territory's public housing clients earn less than \$22,800 a year.



Tenant Demographic (All of Nunavut)

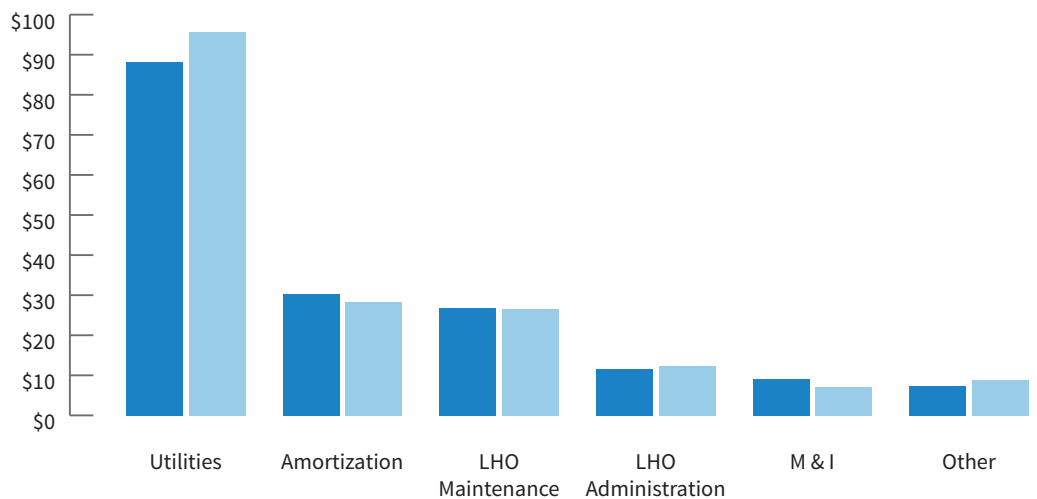
The Corporation currently serves 19,356 public housing tenants in 5,153 units. The majority of tenants are in the 18 to 60 year age group, with a sizable number in the below 18 age group.



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 \$173.691 million in 2013/14 to \$178.728 million in 2014/15, an increase of \$5.0 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.

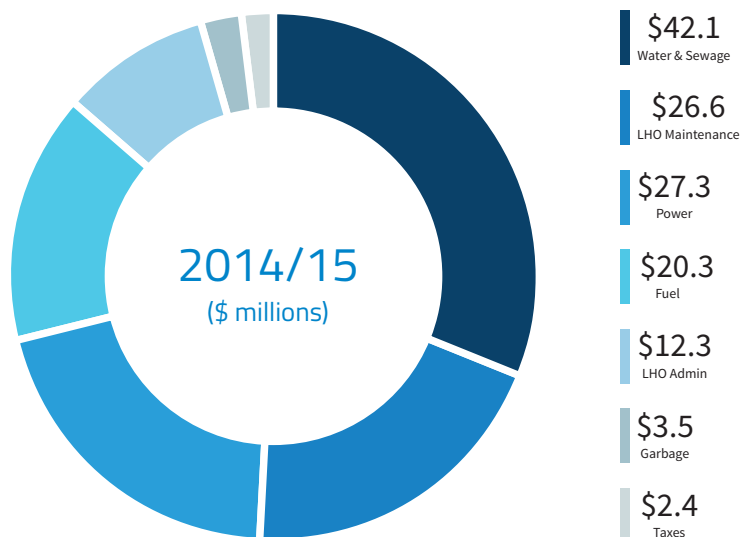
O & M costs for public housing were as follows:



Public Housing Operations & Maintenance Costs (\$ millions)

2013/14 2014/15

Public housing operating costs can be further broken down as follows:



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 \$7,561 while water & sewage is approximately \$8,187 per unit).

Average Cost Per Unit (In thousands)

Average Cost Per Unit (in thousands)	
Water & Sewage	\$8.2
Power	\$5.3
Fuel	\$4.0
Garbage	\$0.7
Taxes	\$0.5
Subtotal - Utilities	\$18.7
LHO Admin	\$2.4
LHO Maintenance	\$5.2
Sub-total LHO	\$7.6
Total	\$26.3

Public Housing – Capital Projects

In fiscal 2013/14, NHC entered into a 5 year extension of the cost shared funding agreement with CMHC under the Investments in Affordable Housing initiative. This agreement provides \$1.455 million per year in additional funding from CMHC towards public housing from 2014/15 to 2018/19. In addition, a further \$10 thousand per year is provided to assist in funding building maintenance for homeless shelters.

In 2014/15 the Corporation incurred \$48.4 million (2013/14 – 14.2 million) in costs relating to the construction of new public housing units.

Public Housing - Modernization & Improvement (M & I)

The Corporation is responsible for 5,153 units in the public housing portfolio. The Modernization and Improvement Program ensures the health, safety and suitability of these units. In 2014/15, \$7.079 million (2013/14 – 8.921 million) was used for modernization & improvements. Funding for the program came from the following sources:

- Government of Nunavut \$2.789 million
- Canada Mortgage and Housing Corporation \$ 4.290 Million





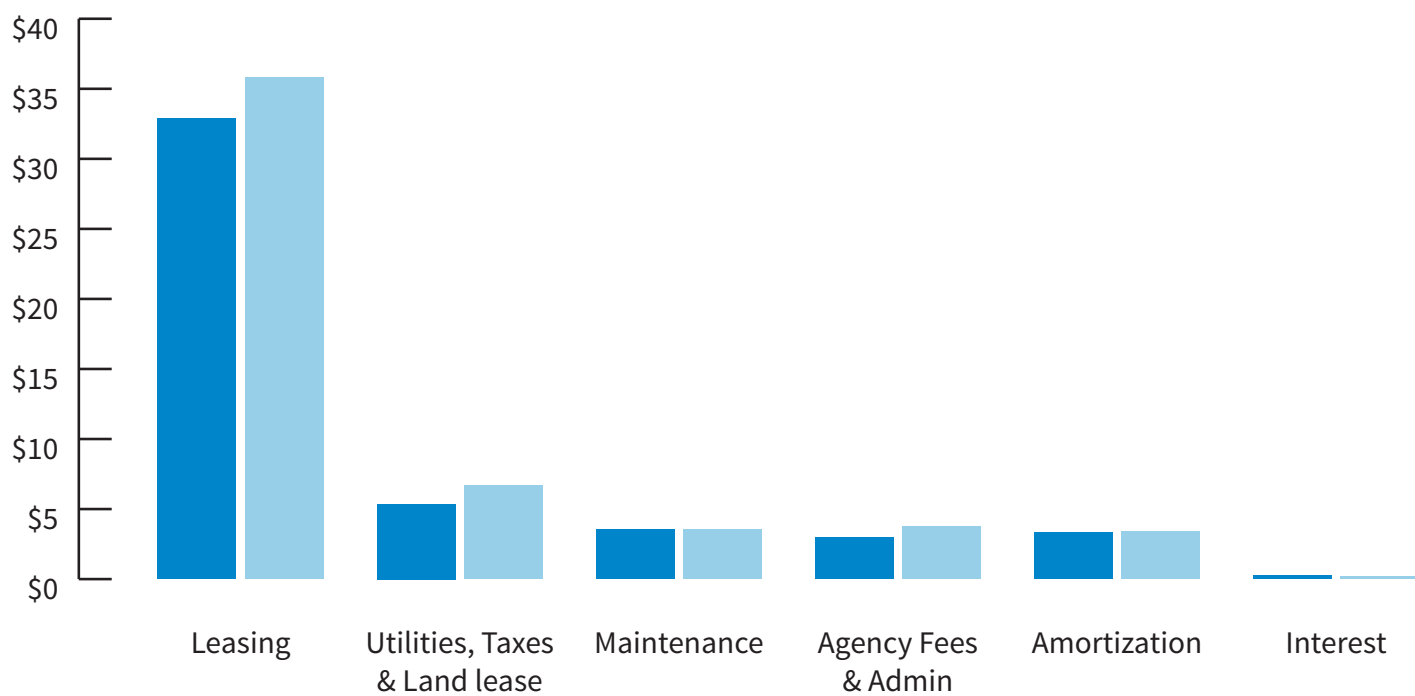
GN Staff Housing

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

The GN staff housing inventory is administered by the Corporation and includes 1,480 units. Of these, 383 are owned by the Corporation; the remainder (74.1% of the staff housing portfolio) is leased. Over time, the Corporation will need to address the composition of this portfolio with a view towards rebalancing its assets. Steps are being taken to increase the range of housing options available to GN staff.

GN Staff Housing Program

In 2014/15, costs related to the staff housing program costs increased from \$48.301 million to \$53.541 million, an increase of \$5.240 million. This was primarily due to increases in the number of units under the staff housing program, costs of utilities, and the costs of demand and preventative maintenance. Revenues for staff housing rents are collected and retained by the Government of Nunavut Department of Finance.



Staff Housing Operations & Maintenance Costs (\$ millions)

2013/14 2014/15

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)

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 2014/2015, \$3.540 million (2013/14 – 3.553 million) was spent on Homeownership Programs. Funding for these programs came entirely from the GN in 2014/15.

Breakdown of homeownership applications by program:

	Pending & Waitlisted at Mar 31, 2014	New Applications	Approved Applications	Declined Applications	Pending & Waitlisted at Mar 31, 2015
SCHRP	21	18	11	16	12
ERP	35	88	91	14	18
NDAP	2	49	40	9	2
HRP	157	82	79	76	84
SPDPMP	1	40	34	6	1
HOTRP	76	48	64	39	21
IFP	-	1	-	1	-
TOP	1	2	-	2	1
Total	293	328	319	163	139

Breakdown of approved homeownership applications by program:

Community	ERP	HRP	HOTRP	NDAP	SCHRP	SPDPMP	TOP	IFP	TOTAL
Arctic Bay	2	3	5	0	0	0	0	0	10
Cape Dorset	2	3	1	0	0	0	0	0	6
Clyde River	2	0	0	0	0	0	0	0	2
Grise Fiord	0	0	0	0	0	0	0	0	0
Hall Beach	0	0	0	0	0	0	0	0	0
Igloolik	1	0	0	0	2	0	0	0	3
Iqaluit	18	18	16	26	2	1	0	0	81
Kimmirut	3	0	0	0	3	0	0	0	6
Pangnirtung	2	0	1	1	0	0	0	0	4
Pond Inlet	2	7	5	0	1	0	0	0	15
Qikiqtarjuaq	2	2	0	0	0	1	0	0	5
Resolute Bay	1	0	0	0	0	0	0	0	1
Sanikiluaq	1	2	2	0	1	0	0	0	6
Qikiqtaaluk	36	35	30	27	9	2	0	0	139
Cambridge	4	7	4	2	1	8	0	0	26
Gjoa Haven	4	4	1	0	0	12	0	0	21
Kugaaruk	2	6	1	0	0	3	0	0	12
Kugluktuk	2	5	8	3	0	9	0	0	27
Taloyoak	5	0	1	0	0	0	0	0	6
Kitikmeot	17	22	15	5	1	32	0	0	92
Arviat	16	7	7	0	1	0	0	0	31
Baker Lake	6	4	3	1	0	0	0	0	14
Chesterfield Inlet	0	2	1	0	0	0	0	0	3
Coral Harbour	4	2	1	1	0	0	0	0	8
Rankin Inlet	10	5	7	6	0	0	0	0	28
Repulse Bay	1	1	0	0	0	0	0	0	2
Whale Cove	1	1	0	0	0	0	0	0	2
Kivalliq	38	22	19	8	1	0	0	0	88
Total Nunavut	91	79	64	40	11	34	0	0	319

Breakdown of homeownership spending by region and by program

	Kitikmeot	Kivalliq	Qikiqtaaluk	Total
SCHRP	15,000	45,118	27,678	87,796
ERP	63,224	168,278	193,375	424,877
NDAP	41,250	130,875	430,669	602,794
HRP	366,941	593,946	906,655	1,867,542
SPDPMP	3,923	-	1,812	5,735
HOTRP	304,671	83,793	162,609	551,073
TOTAL	795,009	1,022,010	1,722,798	3,539,817

Changes to Homeownership Assistance Programs

The NHC strives to ensure that all of its programs, including homeownership programs, are kept relevant and in line with territorial economic trends. For this reason, a review of homeownership programs was necessary in the areas of income eligibility, and grant amounts, as many of the programs have existed for several years with few or no changes.

As a result of the review, major modifications designed to increase the accessibility of homeownership programs, and improve their overall effectiveness in supporting homeowners and potential homeowners were introduced in the Fall of 2014.

Contribution limits were increased for the Heating Oil Tank Replacement Program and the Seniors and Persons with Disabilities Preventative Maintenance Program to help ensure these programs were more effective in meeting their objectives.

The Heating Oil Tank Replacement Program (HOTRP) provides on a one-time-only basis, a contribution in the form of a grant to cover the cost of materials, freight and labour for a heating oil tank replacement or the cost of bringing an existing heating oil tank to an acceptable standard. The maximum contribution amount under HOTRP was increased from \$5,000 to \$7,500.

The Seniors and Disabled Persons Preventative Maintenance Program (SDPPMP) assists homeowners who are seniors or persons with disabilities with preventative and general maintenance of their homes in order to ensure their continued comfort, safety, and healthy occupancy. The program may also cover various special needs, such as inspection and maintenance of home adaptations which improve accessibility and mobility. The eligible grant amount was increased from \$1,500 to \$3,000.

The other changes introduced by the NHC have a broader impact on its programs. The first major change was the increase to the income eligibility limit. In the past, most programs required a household income to be below \$125,000. This set amount did not account for differences between communities, or the true cost of purchasing and maintaining a home in Nunavut.

The NHC replaced this income limit with a more realistic, and community specific Homeownership Program Income Eligibility (HPIE) limit. The HPIE limits now range from \$158,500 in Arviat to \$186,000 in Resolute Bay, and will encourage further development of homeownership in the territory.

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.

The new HPIE calculations will benefit Nunavut as a whole by encouraging further development of the homeownership market in the territory. Increased access to homeownership can lead to less overcrowding in the territory, and fostering more self-reliance and less dependence on other programs such as public housing and GN Staff housing, creating long-term savings for the GN.

Through the Home Renovation Program, the NHC provides a contribution in the form of a forgivable loan to a maximum amount of \$65,000, provided that any amount exceeding \$50,000 is used specifically for energy efficient improvements. In addition to raising income limits the NHC applied a sliding scale to the HPIE limits for its Home Renovation Program to ensure its funding was targeted to homeowners most in need of assistance.



Going forward, maximum contribution amounts for HRP will be 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, SCHR, 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.

The NHC endeavours to ensure that all of its homeownership programs are as effective as possible to benefit Nunavummiut, and the homeownership market as a whole. All program changes will be closely monitored and evaluated based on their effectiveness in practice. Programs may also change based on this evaluation.

Construction Program

In 2013/14 CMHC announced \$100 million in new funding under the Canada Economic Action Plan (CEAP). Through the 2014-2019 extension of the Investment in Affordable Housing Initiative, CMHC is also providing \$1.455 million annually for public housing construction. The GN provides on-going funding for public and staff housing through the capital budget.

As at March 31, 2015, the Corporation had forty (40) construction projects that were at varying levels of completion as outlined in the table below. All the projects are expected to be completed by August 2016.



Community	Type	Type	% Complete
Clyde River	5 Plex	Public Housing	100%
Clyde River	10 Plex	Public Housing	0%
Clyde River	10 Plex	Public Housing	0%
Igloodik	5 Plex	Public Housing	0%
Iqaluit	33 Plex	Public Housing	63%
Pond Inlet	5 Plex	Public Housing	70%
Pond Inlet	5 Plex	Public Housing	29%
Pond Inlet	5 Plex	Public Housing	7%
Sanikiluaq	5 Plex	Public Housing	0%
Cambridge Bay	10 Plex	Public Housing	55%
Kugaaruk	5 Plex	Public Housing	0%
Kugaaruk	5 Plex	Public Housing	0%
Kugaaruk	5 Plex	Public Housing	0%
Kugluktuk	10 Plex	Public Housing	75%
Kugluktuk	10 Plex	Public Housing	70%
Taloyoak	10 Plex	Public Housing	0%
Arviat	10 Plex	Public Housing	95%
Arviat	10 Plex	Public Housing	95%
Arviat	10 Plex	Public Housing	85%
Arviat	10 Plex	Public Housing	65%
Arviat	10 Plex	Public Housing	53%
Arviat	5 Plex	Public Housing	20%
Arviat	5 Plex	Public Housing	0%
Arviat	5 Plex	Public Housing	0%
Arviat	5 Plex	Public Housing	0%
Baker Lake	10 Plex	Public Housing	60%
Baker Lake	10 Plex	Public Housing	60%
Baker Lake	10 Plex	Public Housing	55%
Coral Harbour	10 Plex	Public Housing	99%
Rankin Inlet	10 Plex	Public Housing	60%
Rankin Inlet	10 Plex	Public Housing	52%
Repulse Bay	10 Plex	Public Housing	62%
Repulse Bay	10 Plex	Public Housing	27%
Whale Cove	5 Plex	Public Housing	0%
Cambridge Bay	10 Plex	Staff Housing	100%
Kugluktuk	2 Plex	Staff Housing	90%
Arviat	2 Plex	Staff Housing	99%
Chesterfield	2 Plex	Staff Housing	99%
Whale Cove	2 Plex	Staff Housing	99%

Nunavut Housing Corporation Consolidated Financial Statements



Table of Contents

Management's Responsibility for Financial Reporting	34
Independent Auditor's Report	35
Consolidated Statement of Financial Position	37
Consolidated Statement of Operations and Accumulated Surplus	38
Consolidated Statement of Change in Net Financial Assets	39
Consolidated Statement of Cash Flow	40
Notes to the Consolidated Financial Statements	41
Schedule A – Consolidated Schedule of Other Revenue and Recoveries	56
Schedule B – Consolidated Schedule of Expense Details by Program	57
Schedule C – Consolidated Schedule of Tangible Capital Assets	58
Schedule D – Reconciliation of Main Estimates to PSAS Adjusted Budget	60
Schedule E – Related Party Transactions and Balances	61

16 September 2015

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.



Lori Kimball, CPA, CGA
President & Chief Executive Officer



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

Iqaluit, Nunavut
16 September 2015



Auditor General of Canada
Vérificateur général du Canada

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 2015, 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 financial position, results of operations and changes in net financial assets and my unmodified audit opinion on cash flows.

Basis for Qualified Opinion on the Financial Position, 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. Management has not implemented an adequate system of inventory control,

.../2

including reliable count procedures and appropriate inventory records, at all Local Housing Organizations, and I was not able to satisfy myself concerning those inventory quantities by alternative means. Since inventories impact the financial position and enter into the determination of the results of operations and changes in net financial assets, I was unable to determine whether any adjustments might be necessary to reported non-financial assets as at 31 March 2015 and 31 March 2014 and to the results of operations and changes in net financial assets for the years then ended.

Qualified Opinion on the Financial Position, 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 financial position, consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the financial position of Nunavut Housing Corporation as at 31 March 2015, and the results of its operations and changes in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Opinion on the Cash Flows

In my opinion, the consolidated statement of cash flow presents fairly, in all material respects, the cash flows of Nunavut Housing Corporation for the year ended 31 March 2015 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 and other directives given to Nunavut Housing Corporation, with the exception that Nunavut Housing Corporation did not meet its statutory deadline for submitting its annual report as described in the following paragraph.

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



Tammy Squires, CPA, CA
Principal
for the Auditor General of Canada

16 September 2015
Ottawa, Canada

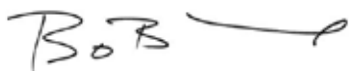
Consolidated Statement of Financial Position as at March 31

(in thousands of dollars)

	2015	2014
Financial Assets		
Cash	\$ 32,565	\$ 12,457
Accounts Receivable (Note 4)	22,000	7,553
Portfolio Investments (Note 5)	127,264	93,847
Mortgage Receivable (Note 6)	1,494	1,766
Direct Financing Lease Receivable	311	327
Total Financial Assets	183,634	115,950
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	48,880	36,126
Security Deposits	618	558
Capital Funding Advanced (Note 8)	48,574	23,751
Long-Term Debt (Note 9)	12,773	14,061
Capital Lease Obligations (Note 10)	3,650	5,520
Employee Future Benefits (Note 11)	1,848	1,725
Total Liabilities	116,343	81,741
Net Financial Assets	67,291	34,209
Non Financial Assets		
Tangible Capital Assets (Schedule C)	631,524	607,453
Inventory for Use	4,052	2,343
Prepaid Expenses	64	65
Total Non Financial Assets	635,640	609,861
Accumulated Surplus	\$ 702,931	\$ 644,070

Contingencies (Note 14)

Contractual obligations (Note 15)



Bob Leonard
Chairperson



Lori Kimball, CPA, CGA
President & Chief Executive Officer

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

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

(in thousands of dollars)

	Budget 2015	Actual 2015	Actual 2014
Generated Revenues			
Social Housing Rental Revenue	\$ 15,000	\$ 13,025	\$ 14,204
Other Revenue and Recoveries (Schedule A)	4,879	5,412	4,832
Total Generated Revenues	19,879	18,437	19,036
Expenses			
Social Housing Program (Schedule B)	188,225	178,728	173,691
Staff Housing Program (Schedule B)	50,243	53,541	48,301
Corporate Administration (Schedule B)	19,090	19,926	18,545
Homeownership Programs	4,616	3,540	3,553
Homelessness	10	10	10
Total Expenses	262,184	255,745	244,100
Net Results of Operations before Government Funding	(242,305)	(237,308)	(225,064)
Government Funding			
Transfers from Government of Nunavut (Note 3)	224,627	227,635	196,975
Transfers from Canada Mortgage and Housing Corporation (CMHC) (Note 13)	81,806	68,534	30,256
Total Government Funding	306,433	296,169	227,231
Surplus for the year	64,128	58,861	2,167
Accumulated Surplus, opening	644,070	644,070	641,903
Accumulated Surplus, closing	\$ 708,198	\$ 702,931	\$ 644,070

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

Consolidated Statement Of Change In Net Financial Assets

For The Year Ended March 31

(in thousands of dollars)

	Budget 2015	Actual 2015	Actual 2014
Surplus for the year	\$ 64,128	\$ 58,861	\$ 2,167
Tangible Capital Assets (Schedule C)			
Additions	(78,296)	(56,157)	(22,741)
Disposals	-	405	814
Amortization	34,326	31,681	33,768
	20,158	34,790	14,008
Purchases of inventory for use	(4,982)	(6,162)	(6,195)
Consumption of inventory for use	4,982	4,453	4,622
Net use of Prepaid Expenses	-	1	11
Change in Net Financial Assets	20,158	33,082	12,446
Net Financial Assets, opening	34,209	34,209	21,763
Net Financial Assets, closing	\$ 54,367	\$ 67,291	\$ 34,209

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

Consolidated Statement Of Cash Flow For The Year Ended March 31

(in thousands of dollars)

	2015	2014
Cash provided by operations		
Transfers from Government of Nunavut	\$ 182,186	\$ 178,318
Transfers from CMHC	21,893	22,535
Rent collections	11,782	12,803
Miscellaneous revenue and recoveries	5,654	2,673
Contributions for social housing	(145,845)	(137,187)
Staff housing	(47,463)	(48,099)
Administration	(16,463)	(15,699)
Homeownership grants and contributions	(3,210)	(3,013)
Homelessness	(10)	(10)
Interest payments on long term debt	(997)	(1,103)
Interest payments on capital leases	(294)	(568)
Capital lease executory costs	(488)	(1,090)
Interest earned on mortgage receivable	72	84
Cash provided by operations	6,817	9,644
Cash provided by capital activities		
Tangible capital asset acquisitions	(52,360)	(20,772)
(Cost)/Proceeds from disposals of tangible capital assets	(3)	21
Funding from Government of Nunavut	43,141	20,093
Funding from CMHC	57,197	31,508
Cash provided by capital activities	47,975	30,850
Cash used for financing activities		
Principal payments on long-term debt	(1,288)	(1,203)
Principal payments on capital lease obligations	(1,870)	(3,706)
Cash used for financing activities	(3,158)	(4,909)
Cash used for investing activities		
Investments acquired	(196,578)	(126,131)
Investments redeemed	163,651	81,364
Recovery of homeowner's assistance	342	246
Mortgage payments received	1,059	1,574
Cash used for investing activities	(31,526)	(42,947)
Increase/(Decrease) in cash	20,108	(7,362)
Cash - beginning of the year	12,457	19,819
Cash - end of the year	\$ 32,565	\$ 12,457

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

Notes to the Consolidated Financial Statements March 31, 2015

(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) Adoption of new Public Sector Accounting Standards

Effective April 1, 2014, the Corporation adopted PS 3260 – Liability for Contaminated Sites. This section establishes recognition, measurement and disclosure standards for liabilities related to contaminated sites. There were no significant impacts of adopting this standard for the year ended March 31, 2015.

(b) 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	Qikiqtarjuaq Housing Association
Arviat Housing Association	Rankin Inlet Housing Association
Cambridge Bay Housing Association	Repulse Bay Housing Association
Chesterfield Inlet Housing Association	Resolute Bay Housing Association
Clyde River Housing Association	Qammaq (Sanikiluaq) 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.

(c) 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.

(d) 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 any 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.

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.

(e) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

(f) 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.

(g) 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.

Buildings transferred to the Corporation from CMHC or by the Government of Nunavut, are stated 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.

Tangible capital and leased assets (continued)

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.

(h) 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 an allowance for impairment.

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

(ii) Allowance for impaired mortgages

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

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

(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.

(i) 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.

(j) Sick leave

Included in accounts payable and accrued liabilities 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) 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	Qikiqtarjuaq Housing Association
Arviat Housing Association	Rankin Inlet Housing Association
Cambridge Bay Housing Association	Repulse Bay Housing Association
Chesterfield Inlet Housing Association	Resolute Bay Housing Association
Clyde River Housing Association	Qammaq (Sanikiluaq) 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	Kugaaruk Housing Authority
Pangnirtung 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.

(l) 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.

(m) 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.

(n) Services provided without charge

The Corporation receives payroll processing services, human resource support, information technology support, office accommodations and employee benefits without charge from the Government of Nunavut which are recorded in the 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.

(o) 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. There are 20 (2014 – 11) Local Housing Organizations recording consumable inventory on the consolidated statement of financial position:

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

For the remaining Local Housing Organizations, consumable inventories are expensed in the year in which they are acquired.

(p) Financial Instruments

NHC's portfolio investments consist of 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, 2015.

Financial Assets

Cash	Cost
Accounts Receivable	Cost
Portfolio Investments	Cost and Amortized cost
Mortgage Receivable	Cost

Measurement Basis**Financial Liabilities**

Accounts Payable and Accrued Liabilities	Cost
Security Deposits	Cost
Long-Term Debt	Amortized cost

Measurement Basis

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.

(q) 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.

(r) 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 is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued.

(s) 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.

Liability for contaminated sites (continued)

The Corporation does not have any known liabilities related to contaminated sites. As such, there has not been any accrual or disclosures 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.

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:

	2015	2014
Non-consolidated (unspent)/shortfall operational funding at beginning of year	\$ (5,112)	\$ (5,812)
Non-consolidated operation contributions, less capital appropriations	(206,397)	(199,434)
Plus operations revenues	(16,751)	(17,030)
Less operations expenses	260,851	246,073
Exclude non-cash and unfunded expenses	(32,396)	(33,802)
Principal portion of debt and capital leases	3,142	4,893
Non-consolidated over-spent /(unspent) operational funding at end of year	\$ 3,337	\$ (5,112)

(b) Capital funding reconciliation

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

	2015	2014
Unspent capital appropriations at the beginning of the year	\$ (53,549)	\$ (24,586)
Current year capital funding contributions	(125,975)	(64,586)
Capital funding used for acquisitions	55,975	22,585
Capital funding used for repairs, maintenance, homeownership grants, and other costs	11,378	13,038
Unspent capital appropriations at end of year	\$ (112,171)	\$ (53,549)

4. Accounts Receivable

	2015	2014
Receivable from related parties		
Government of Nunavut trade receivable	\$ 460	\$ 1,082
Other receivables		
Tenant accounts receivable	28,410	26,969
Trade and other accounts receivable	6,376	5,515
Canada Mortgage and Housing Corporation (CMHC)	15,110	838
	\$ 50,356	\$ 34,404
Less: Allowance for doubtful accounts	28,356	26,851
	\$ 22,000	\$ 7,553

5. Portfolio Investments

Portfolio investments include the following:

	Carrying Value	
	2015	2014
Provincial Government notes and bonds	\$ 5,726	\$ 9,796
Various Bankers Acceptance	121,538	84,051
	\$ 127,264	\$ 93,847

The market value of the portfolio investments at March 31, 2015 was \$127,548 (2014 - \$94,901). The portfolio yield for the year ranged from 0.83% to 4.27% (2014 - 1.05% to 4.27%).

6. Mortgage Receivable

	2015	2014
Mortgage bearing interest at rates varying between 4.64% and 11.25% per annum, repayable over a maximum period of 25 years	\$ 13,705	\$ 20,152
Less: Subsidy amount by the Corporation	(7,337)	(1,042)
Less: Allowance for impairment	(4,874)	(17,344)
	\$ 1,494	\$ 1,766

The recorded value of those mortgages specifically identified as being impaired is \$4,874 as at March 31, 2015 (2014 \$17,344).

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

Conditional grants have been provided by the Corporation to eligible homeowners, which are fully forgivable based on the conditions specific to each program. If the conditions are not met, the grants are repayable to the Corporation. The conditional grants of \$2,983 (2014 - \$3,218) were expensed on the consolidated statement of operations and accumulated surplus during the year.

Change in estimates

During the year ended March 31, 2015, the method for calculating subsidies and impairments on mortgages receivable was revised to better reflect the allocation of subsidies to mortgages as well as the expected collectability of mortgages. This change in accounting estimate is being accounted for on a prospective basis starting April 1, 2014, and increases the subsidy amount and decreases the impairment amount by approximately \$6,800. There is no impact on the net amount of mortgages receivable.

7. Accounts Payable And Accrued Liabilities

	2015	2014
Payable to related parties		
Payable to related parties (Schedule E)	\$ 20,779	\$ 15,221
Other payables		
Trade payable	24,785	18,192
Accrued interest payable	226	249
Accrued wages and employee benefits	3,090	2,464
	\$ 48,880	\$ 36,126

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 \$100,000 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.

\$100,000 (2014 - \$30,000) of this amount was provided to the Corporation as of March 31, 2015, of which \$15,080 was received subsequent to year-end and is included as accounts receivable (Note 4). Revenue recognized in relation to this funding as of March 31, 2015 and the corresponding liability recognized for remaining funds advanced but not yet spent are as follows:

	2015	2014
Capital Funding Advanced - Opening	\$ 23,751	\$ -
Economic Action Plan capital funding advancements	70,000	30,000
Advanced funds used for capital additions	(45,177)	(6,249)
Capital Funding Advanced - Closing	\$ 48,574	\$ 23,751

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

9. Long Term Debt

	2015		2014	
	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 2015 to 2036 at interest rates from 9.5% to 19.75% (2014 - 9.5% to 19.75%).	\$ 59,826	\$ (59,826)	\$ -	\$ -
Mortgages payable to CMHC (NHA New Section 79 debt), repayable in monthly or quarterly installments, maturing from 2015 to 2020 at interest rates from 4.45% to 6.03% (2014 - 4.45% to 7.39%).	2,200	(2,200)	-	-
Loans payable to CMHC, repayable in annual installments until the year 2032, bearing annual interest of 6.97% (2014 - 6.97%). The loans are guaranteed by the Government of Nunavut.	28,740	(15,967)	12,773	14,061
	\$ 90,766	\$ (77,993)	\$ 12,773	\$ 14,061

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
2016	\$ 1,379	\$ 906	\$ 2,285
2017	1,374	808	2,182
2018	1,107	711	1,818
2019	749	632	1,381
2020	770	579	1,349
2021 to 2032	7,394	2,890	10,284
	\$ 12,773	\$ 6,526	\$ 19,299

10. Capital Lease Obligations

The Nunavut Housing Corporation is committed to 4 lease agreements (2014 – 29) 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% (2014 - 4.85% to 10.75%) and have expiry dates ranging from 2018 to 2025. The lease payments may be renegotiated every five years for changes in specific operating costs such as interest rates and cost of utilities. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	Future Minimum Lease Payments	Executory Costs	Imputed Interest	Lease Obligation
2016	\$ 639	\$ 38	\$ 206	\$ 395
2017	639	37	181	421
2018	630	35	155	440
2019	525	13	129	383
2020	525	12	106	407
2021 to 2032	1,819	37	178	1,604
Total	\$ 4,777	\$ 172	\$ 955	\$ 3,650

Interest expense related to capital lease obligations for the year was \$294 (2014 - \$568).

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 1.28 times (2014 - 1.45 times) for existing employees and 1.28 times (2014 - 1.43 times) for new members entering into the plan on or after January 1, 2013. Total contributions of \$992 (2014 - \$984) 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:

	2015	2014
Employer's contribution	\$ 992	\$ 984
Employees' contribution	707	619

Northern Employee Benefits Services (NEBS) Pension Plan

The employer and employee contribution rates effective at year end were both 8% (2014 - 8%). Contributions to the NEBS Pension Plan for the year by participating LHO's and their employees were as follows:

	2015	2014
Employer's contribution	\$ 1,007	\$ 987
Employees' contribution	1,007	987

At January 1, 2015 the NEBS Pension Plan disclosed a solvency deficiency of \$71,296 (2014 - \$38,578) and a solvency ratio of 67% (2014 - 76%). The total plan serves 2,354 Employee Members and 85 Employer Members. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). Solvency is calculated for the purpose of determining obligations only in the event of a plan wrap up.

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 management.

	2015	2014
Accrued benefit obligation, beginning of the year	\$ 1,725	\$ 2,056
Costs for the year (net of benefits paid)	123	(331)
Total Employee Future Benefits	\$ 1,848	\$ 1,725

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

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:

	2015	2014
Cash	\$ 32,565	\$ 12,457
Accounts receivable	22,000	7,553
Portfolio investments	127,264	93,847
Mortgage receivable	1,494	1,766
Direct financing lease receivable	311	327
Total Financial Assets	\$ 183,634	\$ 115,950
Loans guarantees to CMHC related to sponsor groups	1,881	2,140
	\$ 185,515	\$ 118,090

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 71% (2014 – 25%) 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 2015	Net Debt Balance
Balance, beginning of the year	\$ 25,456	\$ 1,395	\$ 26,851	\$ 24,516
Increase in the allowance account	1,500	5	1,505	2,335
Balance, end of the year	\$ 26,956	\$ 1,400	\$ 28,356	\$ 26,851

The aging analysis of tenant accounts receivable is as follows:

	Current	Past due 31 - 90 days	Past due > 90 days	Total 2015	Total 2014
Tenant Receivable	\$ 586	\$ 852	\$ 26,972	\$ 28,410	\$ 26,969
Less: Allowance	-	-	(26,956)	(26,956)	(25,456)
Total Tenant Receivable	\$ 586	\$ 852	\$ 16	\$ 1,454	\$ 1,513

Credit risk (continued)

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Corporation is 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, 2015 is as follows (the contractual cash flows reported are undiscounted and include principal payments and finance charges):

	Contractual Cash Flows					
	Carrying Amount	2016 Estimated	2017 to 2020	2021 to 2032	Total 2015	Total 2014
Long-Term Debt	\$ 12,773	\$ 2,285	\$ 6,730	\$ 10,284	\$ 19,299	\$ 21,584
Accounts Payable and Accrued Liabilities	48,526	48,526	-	-	48,526	35,548
Capital Lease Obligations	3,650	639	2,319	1,819	4,777	7,320
Total Tenant Receivable	\$ 64,949	\$ 51,450	\$ 9,049	\$ 12,103	\$ 72,602	\$ 64,452

13. Transfers From Canada Mortgage And Housing Corporation

	2015	2014
Contributions for social housing including interest expense	\$ 17,612	\$ 18,262
Repairs, maintenance, grants and other costs	50,922	11,994
	\$ 68,534	\$ 30,256

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.

NHC also entered into a 5 year funding agreement extension under the Investment in Affordable Housing program. This program provides \$1,465 per year for 5 years (2014/15 to 2018/19) which consists of \$1,455 for new housing or renovation projects, and \$10 a year for shelter enhancement.

14. Contingencies

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 \$1,881 as at March 31, 2015 (2014 - \$2,140).

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

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:

2016	\$ 38,952
2017	29,364
2018	19,973
2019	13,987
2020	6,585
2021 to 2022	6,169
	\$ 115,030

Contractual Obligations (continued)

The Corporation has contracted the construction of new housing units with an obligation of \$57,331 (2014 – \$81,202) with the completion dates up to August 2016.

The Corporation has signed land leases for various lots throughout Nunavut which are for 30 years with an annual commitment of \$623 (2014 - \$732) 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:

	2015	2014
Office accommodations	\$ 1,004	\$ 981
Professional services	425	491
Employee benefits	879	842
	\$ 2,308	\$ 2,314

17. Comparative Figures

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

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

Schedule A

(in thousands of dollars)

	2015	2014
Other Revenue and Recoveries		
Mortgage Subsidy Recovery	\$ 271	\$ 1,465
Other Revenue	1,846	2,035
Investment Revenue	2,525	1,490
Homeowner's Assistance Recovery (Loss)	342	(114)
Mortgage Interest Revenue	72	84
Impaired Mortgage Recovery	698	567
Loss on Disposal of Capital Assets	(342)	(695)
Total Other Revenue and Recoveries	\$ 5,412	\$ 4,832

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

Schedule B

(in thousands of dollars)

Expenses	Social Housing Program	Staff Housing Program	Corporate Administration	Total 2015	Budget 2015	Total 2014
Agency Fees	\$ -	\$ 1,182	\$ -	\$ 1,182	\$ 1,205	\$ 1,130
Amortization	28,286	3,395	-	31,681	34,326	33,768
Bad debt	1,642	-	-	1,642	3,000	2,329
Compensation and benefits	-	1,649	13,116	14,765	14,905	12,757
Computer services	-	1	398	399	324	282
Demand and preventative maintenance – salaries	21,603	3,533	-	25,136	22,610	20,995
Demand and preventative maintenance - others	4,950	-	-	4,950	10,764	8,962
Interest on long term debt	1,057	211	-	1,268	1,292	1,630
LHO administration – salaries	9,656	-	-	9,656	11,995	9,397
LHO administration – others	2,641	-	-	2,641	3,076	2,306
Leasing	5,857	35,949	-	41,806	39,660	36,230
Materials supplies and other	-	435	160	595	164	191
Office accommodations	-	-	1,321	1,321	1,148	1,192
Miscellaneous	-	-	205	205	108	162
Professional and special services	-	25	2,639	2,664	2,035	3,511
Repairs for modernization and improvements	7,079	350	-	7,429	11,512	9,375
Sponsor groups	342	-	-	342	516	342
Travel and training	-	82	1,700	1,782	2,116	1,859
Utilities, taxes and land leases	95,615	6,725	-	102,340	96,356	93,660
Land titles and fees	-	-	75	75	141	70
Communications	-	4	186	190	243	194
Building and equipment rental	-	-	126	126	62	195
Total	\$ 178,728	\$ 53,541	\$ 19,926	\$ 252,195	\$ 257,558	\$ 240,537

Consolidated Schedule Of Tangible Capital Assets

For The Year Ended March 31, 2015

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 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-Net of Transfers to Minor	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	\$ 551,531	\$ 58,537	\$ 164	\$ 2,594	\$ 11,917	\$ 947	\$ 327	\$ 5,507	\$ 631,524
Estimated Useful Life	20 years	20 years	20 years	5 years	20 years	5 years	-	30 years	

Consolidated Schedule Of Tangible Capital Assets

For The Year Ended March 31, 2014

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 2014
Cost									
Balance Opening	\$ 857,601	\$ 70,106	\$ 1,435	\$ 40,328	\$ 19,800	\$ 3,152	\$ 327	\$ 4,840	\$ 997,589
Transfer from Construction in Process	10,082	5,628	-	-	511	-	-	430	16,651
Additions	156	-	-	-	-	-	-	-	156
(Disposals)	-	-	(985)	(15,503)	-	-	-	-	(16,488)
Write-Downs	(881)	-	-	-	-	-	-	-	(881)
Balance Closing	866,958	75,734	450	24,825	20,311	3,152	327	5,270	997,027
Accumulated Amortization									
Balance Opening	323,604	17,872	875	34,016	8,197	1,671	-	297	386,532
Amortization	27,190	3,024	9	2,467	606	296	-	176	33,768
Accumulated amortization related to disposals	-	-	(606)	(15,503)	-	-	-	-	(16,109)
Adjustments	(446)	-	-	-	-	-	-	-	(446)
Balance Closing	350,348	20,896	278	20,980	8,803	1,967	-	473	403,745
Construction In Process									
Balance Opening	5,587	2,504	-	-	146	-	-	-	8,237
Additions-Net of Transfers to Minor	15,327	6,120	-	-	708	-	-	430	22,585
Transferred to cost of Tangible Capital Assets	(10,082)	(5,628)	-	-	(511)	-	-	(430)	(16,651)
Balance Closing	10,832	2,996	-	-	343	-	-	-	14,171
Net Book Value	\$ 527,442	\$ 57,834	\$ 172	\$ 3,845	\$ 11,851	\$ 1,185	\$ 327	\$ 4,797	\$ 607,453
Estimated Useful Life	20 years	20 years	20 years	5 years	20 years	5 years	-	30 years	

Reconciliation Of Main Estimates To PSAS Adjusted Budget

Schedule D

(in thousands of dollars)

	2015	2014
Revenues		
Government of Nunavut		
Approved Main Estimates	172,873	165,819
Supplementary Appropriations	22,224	0
GN Capital Budget	30,230	28,841
Services without Charge	2,300	2,350
Increase in LHO Rent Assessments	(3,000)	0
	51,754	31,191
Contribution from the Government of Nunavut	224,627	197,010
Canada Mortgage and Housing Corporation (CMHC)		
CMHC Contribution	30,131	31,550
CMHC Capital Budget	64,204	4,300
CMHC Portion of Debt Repayment	(12,529)	(15,832)
	51,675	(11,532)
Contribution from CMHC	81,806	20,018
Generated revenues	16,879	12,656
Increase in rent assessments	3,000	3,000
	19,879	15,656
Total PSAS Adjusted Revenues Budget	326,312	232,684
Expenditures		
Public Housing		
Approved main estimates	155,710	149,706
Supplementary appropriation	2,224	0
Operating portion of capital budget	11,312	10,774
Amortization expense	31,365	29,401
Debt Repayment	(15,386)	(20,740)
Rent Assessments	3,000	3,000
	188,225	172,141
Staff Housing		
Approved main estimates	47,383	45,108
Operating portion of capital budget	200	182
Amortization expense	2,961	2,731
Principal portion of debt payment	(301)	0
	50,243	48,021
Corporate Administration		
Approved Main Estimates	16,790	15,211
GN Services Without Charge	2,300	2,350
	19,090	17,561
Home Ownership		
Operating portion of capital budget	4,616	4,616
Homelessness	10	10
Total PSAS Adjusted Expense Budget	262,184	242,349
Surplus/(Deficit)	64,128	(9,665)

Related Party Transactions And Balances At March 31, 2015

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	4	854	165	857
- Culture and Heritage				
- Economic Development and Transportation			2	
- Education	242		121	
- Environment				
- Executive and Intergovernmental Affairs				
- Family Services	22		61	
- Finance (Govt Funding)			227,635	
- Finance (Other)	109	4,766	99	17,300
- Health	41		872	
- Justice			3	
Territorial Corporations				
Nunavut Arctic College		4		
Nunavut Business Credit Corporation				
Nunavut Development Corporation (including subsidiaries)				
Qulliq Energy Corporation	8	7,647		29,507
Revolving Funds				
Liquor Revolving Fund				
Petroleum Products Revolving Fund	34	7,343		21,721
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				
Worker's Safety and Compensation Commission		165	3	537
Total Related Party Balances	\$460	\$20,779	\$228,961	\$69,922

