



# Nunavut Housing Corporation

Annual Report  
2016-17





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# Our Mandate

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

## Our Mission

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

## Our Vision

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

## Our Principles and Values

The Nunavut Housing Corporation believes in and strives for:

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

# 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, 2016 to March 31, 2017.

Respectfully submitted,

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

**Honourable George Kuksuk**  
Minister Responsible for the Nunavut Housing Corporation

## Message from the Minister

As Minister Responsible for the Nunavut Housing Corporation (NHC), I am proud of what has been achieved in 2016-2017. Though NHC has faced some challenges this year, the Corporation has been diligent, committed, and strategic with its efforts, by working collaboratively with Local Housing Organizations (LHOs), other GN departments, communities and Inuit organizations to address the serious housing issues faced by Nunavummiut.

Foremost amongst our achievements in 2016-2017 was the completion and tabling of the Blueprint for Action on Housing. The tabling of this comprehensive strategy, led by the NHC, was the culmination of the hard work and collaborative efforts of colleagues across the Government of Nunavut (GN). Departments have already begun their work on the action items outlined in the Blueprint and I look forward to seeing the positive effects this initiative will have on the housing needs of Nunavummiut.

The NHC continues to directly address Nunavut's severe overcrowding by awarding contracts for the construction of 90 new Public Housing units and 17 new Staff Housing units across the territory. The funding for the 90 new Public Housing units comes from the federal Social Infrastructure Fund (SIF) agreement signed between the NHC and CMHC at the beginning of this year. These units will be critical to filling the significant housing gap faced by our territory.

The funding will allow for construction of a further 95 units across the territory next year and also includes funds dedicated to renovation of housing for seniors, repairs for family violence shelters and renovations and retrofits to existing public housing.

I am also pleased with the NHC's response to the mold issues in public housing units. Access to Federal and GN funding has allowed the NHC to complete a mold assessment project to address Nunavut's most affected units. Where mold was found it will be remediated either by Local Housing Organizations, or where necessary, contracted to companies specializing in mold remediation.

It has been a pleasure to have experienced another successful year of working with the NHC. The Corporation is to be commended for its steadfast dedication, from the members of the Board of Directors and our staff, to our LHOs who are the front line of our housing system. Each brings a level of commitment to their task that, collectively, makes a significant difference.

Together, we look forward to a new year of working to improve the housing situation for Nunavummiut.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Kuksuk".

**Honourable George Kuksuk**

Minister Responsible for the Nunavut Housing Corporation

## Message from the Chairman

It is my pleasure, as Chair of the Nunavut Housing Corporation's (NHC) Board of Directors, to present, on behalf of the Board, the 2016-2017 Nunavut Housing Corporation Annual Report. The Board and the Corporation had another successful year, which saw the NHC make significant progresses in funding agreements and achievement of strategic objectives.

This year the Board was faced with some difficult news. We were very saddened by the loss of one of our own members; Mr. John Ningark, who passed away on November 17th, 2016. The Board and its members were honoured to have served with Mr. Ningark, and the NHC benefited greatly from the knowledge and experience that he brought to the Corporation.

Aligning with the NHC's direction to increase housing stock, the Board was pleased to see that in March 2017, contracts were awarded for the construction of 90 brand new public housing units and 17 Staff Housing units across the territory. These units will be critical in reducing Nunavut's severe housing gap, and meeting the GN's employee recruitment and retention needs.

This year also saw the approval of the Blueprint for Action on Housing, which was tabled in October, 2016. The Blueprint for Action is the implementation plan for the GN's Long-Term Housing and Homelessness Strategy as part of the GN's "*Igluliuqatigiilauqtaq*, Let's Build a Home Together" initiative. The Board is pleased that work is already underway on many of the Actions identified in the Blueprint. Progress will continue to be monitored by NHC staff through an integrated accountability framework.

It is also my pleasure to announce that for the second year in a row the NHC has met its statutory reporting deadline for 2016-2017. This represents the hard work of our staff and Local Housing Organization (LHO) partners. This year, again, all LHOs complied with all inventory evaluation requirements. Meeting the deadline is an important demonstration of the NHC's continued commitment to accountability and transparency in its stewardship of public resources.

The Board continues to be encouraged by the effective leadership of our Corporate Executive team, as well as the Local Housing Organization board members and staff, as they work together to meet the housing needs of Nunavummiut. With a renewed vision and keen commitment to strengthening advocacy efforts, this year's accomplishments are a demonstration of a committed and cohesive team, a dedicated Board of Directors and a supportive network of local housing partners. We look forward to a 2017-2018 which will see us continue to collectively rise to the housing challenges we face.

Best regards,



**Bob Leonard**

Chairman

Nunavut Housing Corporation Board of Directors

### Board of Directors

Mr. Bob Leonard, Chairperson, Arviat, NU

Mr. Ross Mrazek, Director, Sherwood Park, AB

Ms. Kathleen Gomes, Director, Iqaluit, NU

Mr. John Apt, Director, Ottawa, ON

Ms. Kathy Hanson, Director, Iqaluit, NU



# Message from the President and CEO

It is my pleasure to present the Nunavut Housing Corporation's (NHC) 2016-2017 Annual Report.

This year has been an important one for many reasons. Not only has NHC improved upon the programs already in place, but we were also able to reach major milestones in the Corporation's history through new funding partnerships and strategic initiatives.

I am very proud that the Government of Nunavut's (GN) Blueprint for Action on Housing was tabled in the Legislative Assembly in October 2016. The Blueprint for Action represents the culmination of years of coordinated engagements to develop an implementation plan for the GN Long-Term Comprehensive Housing and Homelessness Strategy that is both ambitious and achievable. Many departments have already taken steps towards achieving their first year goals and I look forward to following their progress.


In April 2016, the NHC signed the 2 year Social Infrastructure Fund (SIF) agreement with the Canada Mortgage and Housing Corporation, for almost \$85 million. Combined GN and federal funding for 2016-2017 has resulted in the allocation and contract award of 90 public housing units and 17 new staff housing units. The construction of these new units will help address Nunavut's shortage in public housing, and will work towards meeting GN's staff housing needs.

In addition, the NHC has dedicated Social Infrastructure Fund funds to the repair and renovation of women's shelters in Iqaluit and Rankin Inlet, performing much needed upgrades to Elders Centers in Iqaluit and Arviat, as well as renovation of existing public housing units.

This year also saw continued effort to work with the federal government in the development of the new National Housing Strategy, to be completed in November 2017. Through the NHC's collaboration with pan-territorial partners, it has strengthened its joint lobbying efforts and has ensured that northern housing is a priority within the National Housing Strategy.

As we work towards addressing the territory's housing challenges, the NHC has continued to work to ensure Nunavummiut have access to sustainable and affordable housing. I am proud of the Corporation's accomplishments. These accomplishments are a clear demonstration of a committed and cohesive team, a dedicated Board of Directors and a supportive network of local housing partners. I look forward to addressing our future priorities in the 2017-2018 fiscal year.

Sincerely,

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

**Terry Audla,**

President and CEO

Nunavut Housing Corporation

# Corporate Profile

The Nunavut Housing Corporation (the Corporation) was created by the Nunavut Legislature through the *Nunavut Housing Corporation (Nunavut) Act*. As a public agency of the Government of Nunavut (GN), the Corporation is at arms-length from the GN. Its operating parameters 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 & CEO, Board of Directors and the Minister responsible for the Nunavut Housing Corporation.

As a territorial corporation, the Nunavut Housing Corporation has the ability to:

- Enter into funding partnerships, principally with the Canada Mortgage and Housing Corporation (CMHC). This means that Nunavut's federal transfer payments are not affected by the funding that the Corporation receives.
- Carry over funds from one year to the next. This ensures that all funding designated for housing remains within the Corporation and can be committed to housing solutions.
- Take full stewardship of funds in the Capital and Operating and Maintenance budgets. This gives the Corporation full authority for the delivery of housing initiatives.

The Corporation's mandate is delivered in partnership with 25 Local Housing Associations and Authorities in Nunavut's three regions.

# NHC's Programs

The NHC provides affordable housing programs including the subsidized public housing rental program, homeownership programs and the Government of Nunavut's staff housing program. Policy and program development are key to creating responsive programs to address Nunavut's core housing need. The NHC incorporates energy-efficient technologies in its housing designs and in the retrofitting of housing to improve their sustainability and energy efficiency. The NHC continues to work in partnership with the Canada Mortgage and Housing Corporation to develop and improve housing infrastructure across the territory. At the community level, the NHC partners with Local Housing Organizations (LHOs) to manage and administer public housing.

## Public Housing

The NHC delivers the Public Housing Program in partnership with 25 Local Housing Organizations who serve as our delivery agents. We provide financial, administrative, construction and repair support to these community partners who deliver the programs on our behalf. The NHC has management agreements with each LHO. Through these agreements, the LHOs manage the 5,431 units in the public housing portfolio (as of March 31, 2017). LHO Boards and staff perform the various tasks that are outlined in the agreements such as unit allocations, rental assessments and collections, maintenance, modernization and improvements.

## Staff Housing

The Corporation administers the Government of Nunavut's Staff Housing program, which includes both leased and owned units, and provides policy support to enhance housing options and services available to GN staff. The LHOs and other contracted management agents maintain 1,511 staff housing units in all 25 communities.

## Homeownership

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

## Board of Directors

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

The Board directs the business of the Corporation and exercises overall responsibility for the stewardship over its activities. As part of its 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. The Board also ensures that the Corporation's information systems and management practices meet its needs and give the board confidence in the integrity of the Corporation's information.

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

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

### Meetings of the Board

During the year, the Board held seven meetings (five tele-conferences and two face-to-face meetings) during which the Board passed the following 50 resolutions:

- 27 administrative resolutions
- 15 financial resolutions
- 8 Operational resolutions

### Audit Committee

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

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

## Board Actions and Approvals

On October 31st, 2016 Ms. Kathleen Gomes and Messrs. Bob Leonard and Ross Mrazek's terms expired. They were re-appointed to the Board for three year terms running from November 1st, 2016 to October 31st, 2019.

Mr. John Ningark, who had served on the Board since November 1st, 2014 passed away on November 17th, 2016. The corporation is honoured to have benefitted from the knowledge and experience that Mr. Ningark brought to the Board.

Mr. Percy Kabloona, who had served on the corporation's Board since July 1st, 2015, resigned on February 3rd, 2017. Mr. Kabloona has made a valuable contribution to the Board during this period.

The Board currently consists of five Board members and is in compliance with provisions of the *Nunavut Housing Corporation (Nunavut) Act*. The corporation has begun the recruitment process to fill the two vacant Board positions.

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

- Approved the GN Blueprint for Action on Housing.
- Approved the 2016-2018 Construction Allocation Plan.
- Approved the Corporation's implementation plan in respect of funding provided by CMHC under the Investment in Affordable Housing program.
- Approved the 2017-2020 Business Plan.
- Approved the 2017-2022 Five Year Capital Plan.
- Approved the 2017-2018 Main Estimates.
- Approved the write-off of deceased tenants' receivables.
- Approved the removal from receivables, statute-barred public housing tenant balances.
- Approved the Annual Audit Plan presented by the Office of the Auditor General of Canada (OAG) and reviewed Internal Control Management Letters submitted by the OAG.
- Received and reviewed various financial and operational reports submitted by management.

# Board Member Profiles

## Bob Leonard, Chairperson

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

## Kathleen Gomes, Director

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

## John Apt, Director

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

## Kathy Hanson, Director

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

## 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 for over 10 years.

# Departmental Roles

To administer the Corporation's programs, the Corporation's approved staff complement of one hundred and twenty two professional and administrative staff provides services that make the Corporation a client-focused service delivery agency. Structured around five administrative 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 Cabinet. As well, it ensures that programs are delivered according to the Corporation's funding agreements with the Canada Mortgage and Housing Corporation (CMHC).

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

Corporate Headquarters coordinates the preparation, monitoring and reporting of 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 Offices are responsible for monitoring the construction program in the regions. They are also responsible for the delivery of various homeownership programs and developing positive relationships with other government departments and agencies.

## 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*.

## Management Discussion and Analysis

# Report on Operations

### Directorate & Corporate Headquarters

The Corporation successfully led the Government of Nunavut's Blueprint for Action on Housing initiative. The document was approved by the Corporation's Board and was tabled in the Legislative Assembly on October 20, 2016. The Blueprint presents a whole-of-government approach to addressing housing challenges and sets out 60 actions to be undertaken by the government and its partners over the next 20 years.

2016-2017 saw the completion of 45 public housing and two staff housing units. The 45 public housing units are the last of the 293 units funded through a combination of the federal Economic Action Plan (EAP), the Government of Nunavut's (GN) Capital Plan and CMHC's Investment in Affordable Housing (IAH) initiative.

Effective April 1, 2016, the Corporation and CMHC entered into the Social Infrastructure Fund (SIF) Agreement, a supplementary agreement to the Agreement for Investments in Affordable Housing (IAH). The SIF agreement allocated \$84.1 million over fiscal years 2016-2017 and 2017-2018. The funding is targeted to seniors, victims of family violence, public housing new construction, renovation and retrofits. \$76.7 million of this funding is provided specifically for northern housing and will be combined with GN capital funding and CMHC funds provided under the Investment in Affordable Housing program to build 185 public housing units in fifteen communities during 2017-2018 and 2018-2019.

During 2016-2017, the NHC commenced construction of 42 public housing units in seven communities and 43 staff housing units in 8 communities. The 42 public housing units are funded from the GN's capital budget and from \$1.45 million provided under the Investment in Affordable Housing program. Staff housing is funded entirely by the Government of Nunavut.

The Corporation received \$35.2 million under the Social Infrastructure Fund (SIF) agreement. \$2.9 million of this funding is included in revenues in the Consolidated Statement of Operations, representing eligible expenditures in respect of renovations to housing for seniors, public housing and preparatory work on planned new construction of 90 public housing units.

Public tenders for the construction of 90 public housing units that are funded through a combination of GN capital, the federal Investment in Affordable Housing program and the SIF closed in March 2017 and contracts were awarded in the same month. Construction of these units will commence in the summer of 2017.

### Districts

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



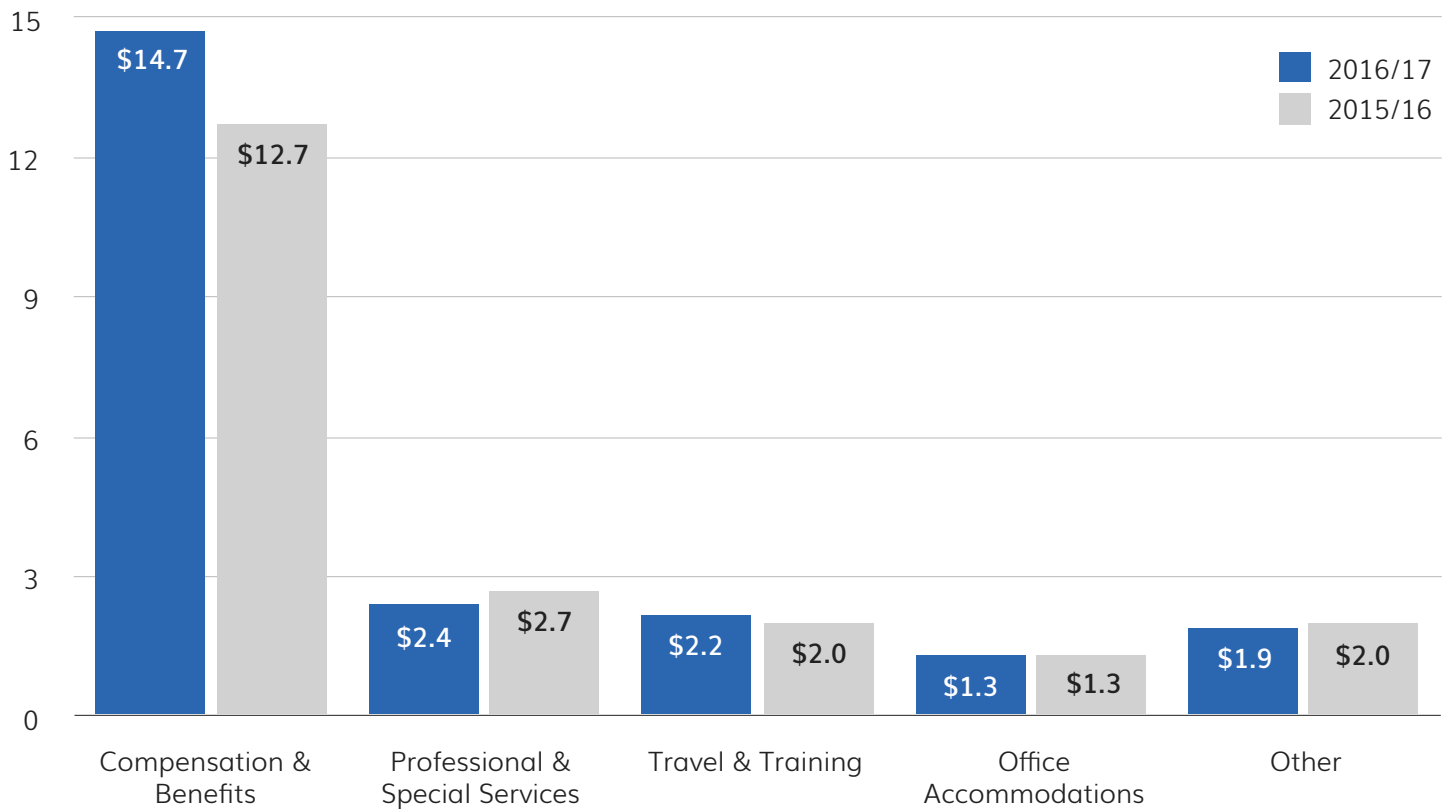
## Management Discussion and Analysis

# Advisory and Administration Services

Advisory and Administration costs (not including administration related to staff housing) increased by \$1.8 million from \$20.7 million to \$22.5 million. The Corporation's employees who are members of the Nunavut Employees' Union (NEU) were awarded salary increases of 2% in October 2014, 1% in October 2015 and another 1% in October 2016. As a result, Compensation and Benefits increased by \$2.0 million due to the three-year retroactive payment of these salary increases. In addition, the Corporation filled most of the technical positions that are funded by the Canada Mortgage and Housing Corporation (CMHC).

Other Advisory and Administrative expenses were close to 2015-2016 levels.

### Advisory and Administration Services (\$ millions)

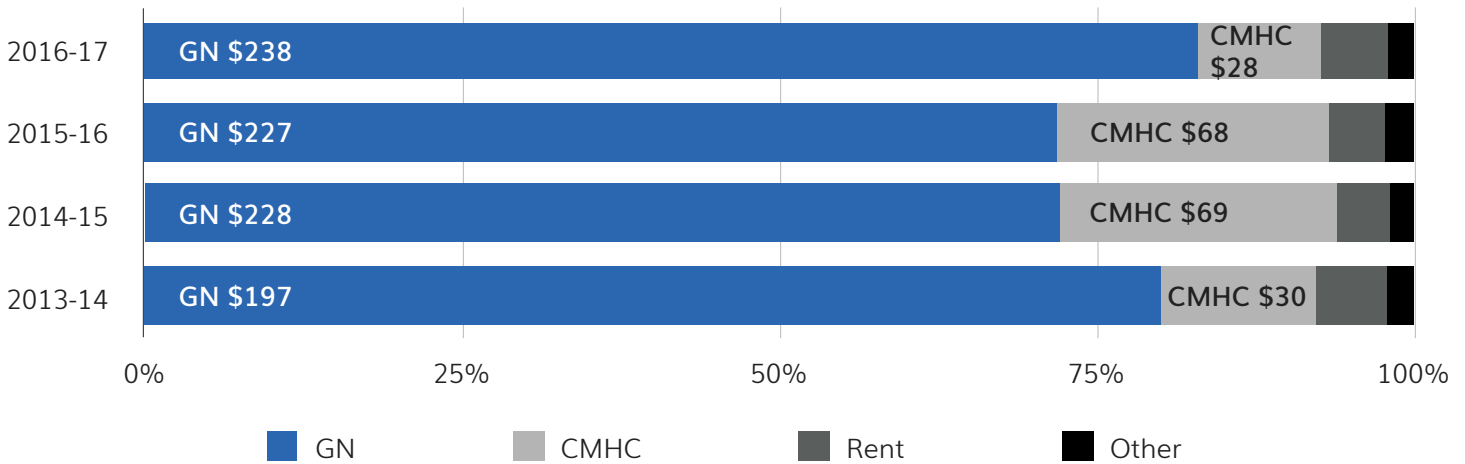


## Management Discussion and Analysis

# Total Revenues & Government Funding

Total revenues declined from \$315.4 million to \$287.8 million. At \$266.5 million, transfers from the Government of Nunavut and the CMHC constitute 93% of the Corporation's total revenues. CMHC revenues are in respect of capital contributions as well as operating revenues through the Social Housing Agreement. GN contributions have increased by 21% in four years and in 2016-2017 constituted 83% of the Corporation's revenues.

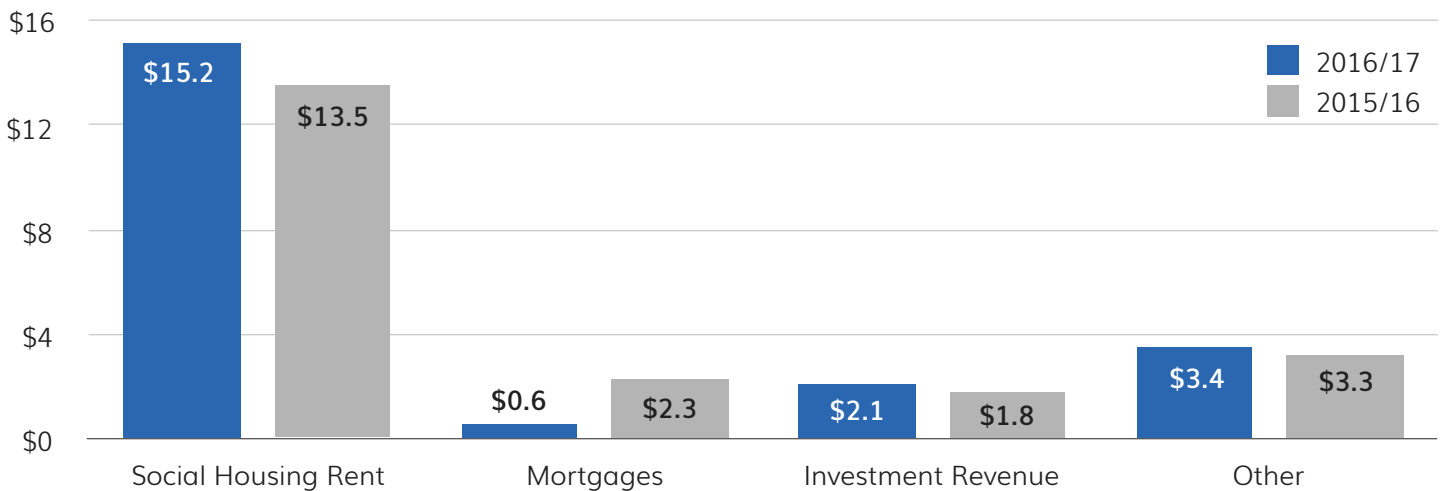
### Revenue Sources (\$ millions)



Generated revenues increased from \$20.9 million to \$21.3 million. The \$1.6 million increase in social housing rent was due to the combined impact of an increase in housing stock and the improved process for collecting tenants' income information through the Canada Revenue Agency (CRA).

Recoveries from impaired mortgages declined significantly from \$2.2 million to \$0.5 million. A significant number of the Corporation's mortgages are impaired and have been written down.

### Non-Government Revenues (millions)



## Management Discussion and Analysis

# Public Housing Rent Collection Rates

Community	Rent Receivable (\$'000)	Number of Months Outstanding	2016-2017	2015-2016	2014-2015
Iqaluit	2,078	19	89.6%	105.7%	109.5%
Qikiqtarjuaq	723	25	77.4%	102.6%	87.0%
Resolute bay	223	27	86.9%	97.6%	96.8%
Kimmirut	336	13	101.3%	93.5%	96.9%
Sanikiluaq	924	29	86.5%	92.2%	102.9%
Cape Dorset	1,277	22	95.3%	84.5%	76.6%
Pangnirtung	1,542	21	92.0%	79.3%	76.5%
Hall Beach	2,831	56	78.8%	77.2%	74.5%
Pond Inlet	2,429	29	73.3%	76.7%	81.3%
Igloolik	1,646	28	72.7%	73.1%	70.8%
Arctic Bay	1,633	36	89.8%	72.4%	93.2%
Grise Fiord	151	15	79.0%	67.4%	89.1%
Clyde River	3,235	49	60.6%	64.0%	70.0%
<b>Qikiqtaaluk</b>	<b>19,028</b>	<b>29</b>	<b>82.7%</b>	<b>83.4%</b>	<b>85.7%</b>
Coral Harbour	146	4	94.6%	104.5%	93.6%
Baker lake	1,641	17	91.5%	90.0%	96.7%
Naujaat	460	11	88.0%	89.5%	79.4%
Chesterfield Inlet	114	6	89.1%	87.1%	97.7%
Whale Cove	70	4	98.5%	84.9%	118.0%
Arviat	1,786	20	74.8%	81.9%	83.1%
Rankin Inlet	926	11	89.1%	80.7%	76.9%
<b>Kivalliq</b>	<b>5,143</b>	<b>14</b>	<b>87.3%</b>	<b>86.9%</b>	<b>87.6%</b>
Taloyoak	1,269	31	95.2%	98.7%	96.8%
Gjoa Haven	1,572	28	87.9%	81.3%	112.2%
Kugluktuk	1,134	21	83.6%	78.0%	93.6%
Cambridge Bay	1,728	33	81.8%	73.2%	97.5%
Kugaaruk	605	19	94.2%	71.3%	79.9%
<b>Kitikmeot</b>	<b>6,308</b>	<b>27</b>	<b>87.6%</b>	<b>80.4%</b>	<b>97.7%</b>
<b>Total Nunavut</b>	<b>30,479</b>	<b>24</b>	<b>85.0%</b>	<b>83.8%</b>	<b>88.4%</b>

The collection rate improved from 83.8% in 2015-2016 to 85.0% this year. Where collection rates exceeded 100%, LHOs would have collected more rent than was assessed during the year by collecting amounts owing from prior years. The number of months outstanding improved from 27 to 24 months due to the combined impact of improved collections, the write-off of deceased tenant balances and the removal of statute barred accounts.

During the year, the Corporation successfully negotiated with the Department of Family Services (DFS) for income assistance rent cheques to be sent directly to or collected by LHOs instead of being handed to the tenant. Prior to this arrangement, several rent cheques became stale-dated as some tenants did not turn the cheques over to LHOs, resulting in arrears. The NHC is engaged in negotiations with DFS to recover arrears related to stale-dated cheques from previous years.

## Management Discussion and Analysis

# Write-off of Corporate Debt

Section 84 of the *Financial Administration Act* (Part IX, Public Agencies), requires public agencies to include in the annual report, any asset, debt or obligation exceeding \$500 that was written-off during the financial year.

Under section 82 of the *Financial Administration Act*, a public agency such as the Nunavut Housing Corporation has the authority to write-off debts or obligations up to \$20,000. Any write-off requests above \$20,000 require the express authority of an Act through the Legislative Assembly. When debts are written off they are not forgiven and the Corporation has an obligation to continue collection activities.

During 2016-2017, the Corporation obtained approval to write-off \$488,358 in respect of 202 deceased public housing tenants (amounts not exceeding \$20,000). The Board also approved the removal of \$2,063,890 statute barred balances in respect of public housing tenants with individual balances of \$20,000 or less. The balances have been removed from receivables.

### Balances Written-Off During 2016-2017:

Community	Name	Amount
Arctic Bay Housing Association	Deceased Estate	\$ 9,312
Arctic Bay Housing Association	Deceased Estate	\$ 4,732
Arctic Bay Housing Association	Deceased Estate	\$ 4,214
Arctic Bay Housing Association	Deceased Estate	\$ 3,895
Arctic Bay Housing Association	Deceased Estate	\$ 3,437
Arctic Bay Housing Association	Deceased Estate	\$ 3,421
Arctic Bay Housing Association	Deceased Estate	\$ 1,170
Arctic Bay Housing Association	Amounts below \$500	\$ 430
		<b>\$ 30,611</b>
Arviat Housing Association	Deceased Estate	\$ 14,412
Arviat Housing Association	Deceased Estate	\$ 6,254
Arviat Housing Association	Deceased Estate	\$ 4,602
Arviat Housing Association	Deceased Estate	\$ 4,313
Arviat Housing Association	Deceased Estate	\$ 3,308
Arviat Housing Association	Deceased Estate	\$ 2,431
Arviat Housing Association	Deceased Estate	\$ 2,270
Arviat Housing Association	Deceased Estate	\$ 1,534
Arviat Housing Association	Amounts below \$500	\$ 2,286
		<b>\$ 41,410</b>
Baker Lake Housing Authority	Deceased Estate	\$ 17,705
Baker Lake Housing Authority	Deceased Estate	\$ 1,200
Baker Lake Housing Authority	Deceased Estate	\$ 1,146
Baker Lake Housing Authority	Deceased Estate	\$ 795
Baker Lake Housing Authority	Amounts below \$500	\$ 360
		<b>\$ 21,206</b>

Community	Name	Amount
Cambridge Bay Housing Authority	Deceased Estate	\$ 6,697
Cambridge Bay Housing Authority	Deceased Estate	\$ 2,005
Cambridge Bay Housing Authority	Amounts below \$500	\$ 1,212
		<b>\$ 9,914</b>
Cape Dorset Housing Authority	Deceased Estate	\$ 6,124
Cape Dorset Housing Authority	Deceased Estate	\$ 5,921
Cape Dorset Housing Authority	Deceased Estate	\$ 5,623
Cape Dorset Housing Authority	Deceased Estate	\$ 4,820
Cape Dorset Housing Authority	Deceased Estate	\$ 3,634
Cape Dorset Housing Authority	Deceased Estate	\$ 3,087
Cape Dorset Housing Authority	Deceased Estate	\$ 2,341
Cape Dorset Housing Authority	Deceased Estate	\$ 2,068
Cape Dorset Housing Authority	Deceased Estate	\$ 2,053
Cape Dorset Housing Authority	Deceased Estate	\$ 1,308
Cape Dorset Housing Authority	Deceased Estate	\$ 1,079
Cape Dorset Housing Authority	Deceased Estate	\$ 780
Cape Dorset Housing Authority	Deceased Estate	\$ 698
Cape Dorset Housing Authority	Deceased Estate	\$ 640
Cape Dorset Housing Authority	Amounts below \$500	\$ 586
		<b>\$ 40,762</b>
Chesterfield Inlet Housing Association	Deceased Estate	\$ 2,448
		<b>\$ 2,448</b>
Clyde River Housing Association	Deceased Estate	\$ 1,692
Clyde River Housing Association	Deceased Estate	\$ 995
Clyde River Housing Association	Amounts below \$500	\$ 252
		<b>\$ 2,939</b>
Coral Harbour Housing Authority	Deceased Estate	\$ 2,847
		<b>\$ 2,847</b>
Hall Beach Housing Association	Deceased Estate	\$ 17,944
Hall Beach Housing Association	Deceased Estate	\$ 8,494
Hall Beach Housing Association	Deceased Estate	\$ 7,968
Hall Beach Housing Association	Deceased Estate	\$ 6,944
Hall Beach Housing Association	Deceased Estate	\$ 1,961
Hall Beach Housing Association	Deceased Estate	\$ 1,081
Hall Beach Housing Association	Amounts below \$500	\$ 557
		<b>\$ 44,949</b>
Igloolik Housing Association	Deceased Estate	\$ 9,854
Igloolik Housing Association	Deceased Estate	\$ 4,793
Igloolik Housing Association	Deceased Estate	\$ 2,820
Igloolik Housing Association	Deceased Estate	\$ 1,195
Igloolik Housing Association	Deceased Estate	\$ 876
Igloolik Housing Association	Amounts below \$500	\$ 626
		<b>\$ 20,164</b>

Community	Name	Amount
Iqaluit Housing Authority	Deceased Estate	\$ 12,322
Iqaluit Housing Authority	Deceased Estate	\$ 11,572
Iqaluit Housing Authority	Deceased Estate	\$ 10,723
Iqaluit Housing Authority	Deceased Estate	\$ 10,681
Iqaluit Housing Authority	Deceased Estate	\$ 7,352
Iqaluit Housing Authority	Deceased Estate	\$ 7,209
Iqaluit Housing Authority	Deceased Estate	\$ 5,045
Iqaluit Housing Authority	Deceased Estate	\$ 2,906
Iqaluit Housing Authority	Deceased Estate	\$ 2,640
Iqaluit Housing Authority	Deceased Estate	\$ 2,170
Iqaluit Housing Authority	Deceased Estate	\$ 652
Iqaluit Housing Authority	Deceased Estate	\$ 1,842
Iqaluit Housing Authority	Amounts below \$500	\$ 2,040
		<b>\$ 77,154</b>
Kimmirut Housing Association	Deceased Estate	\$ 4,446
Kimmirut Housing Association	Deceased Estate	\$ 912
		<b>\$ 5,358</b>
Kugaaruk Housing Authority	Deceased Estate	\$ 11,259
Kugaaruk Housing Authority	Deceased Estate	\$ 1,843
		<b>\$ 13,102</b>
Kugluktuk Housing Association	Deceased Estate	\$ 6,821
Kugluktuk Housing Association	Deceased Estate	\$ 4,785
Kugluktuk Housing Association	Deceased Estate	\$ 1,382
Kugluktuk Housing Association	Deceased Estate	\$ 946
Kugluktuk Housing Association	Amounts below \$500	\$ 1,169
		<b>\$ 15,103</b>
Pangnirtung Housing Association	Deceased Estate	\$ 8,952
Pangnirtung Housing Association	Deceased Estate	\$ 2,888
		<b>\$ 11,840</b>
Pond Inlet Housing Association	Deceased Estate	\$ 5,058
Pond Inlet Housing Association	Deceased Estate	\$ 4,300
Pond Inlet Housing Association	Deceased Estate	\$ 3,185
Pond Inlet Housing Association	Deceased Estate	\$ 1,381
Pond Inlet Housing Association	Deceased Estate	\$ 990
Pond Inlet Housing Association	Deceased Estate	\$ 600
Pond Inlet Housing Association	Deceased Estate	\$ 574
Pond Inlet Housing Association	Deceased Estate	\$ 523
Pond Inlet Housing Association	Amounts below \$500	\$ 2,171
		<b>\$ 18,782</b>

Community	Name	Amount
Qammaq (Sanikiluaq) Housing Association	Deceased Estate	\$ 10,097
Qammaq (Sanikiluaq) Housing Association	Deceased Estate	\$ 1,368
Qammaq (Sanikiluaq) Housing Association	Deceased Estate	\$ 608
Qammaq (Sanikiluaq) Housing Association	Amounts below \$500	\$ 604
		<b>\$ 12,677</b>
Rankin Inlet Housing Association	Deceased Estate	\$ 17,975
Rankin Inlet Housing Association	Deceased Estate	\$ 6,915
Rankin Inlet Housing Association	Deceased Estate	\$ 5,250
Rankin Inlet Housing Association	Deceased Estate	\$ 5,166
Rankin Inlet Housing Association	Deceased Estate	\$ 3,740
Rankin Inlet Housing Association	Deceased Estate	\$ 3,719
Rankin Inlet Housing Association	Deceased Estate	\$ 3,717
Rankin Inlet Housing Association	Deceased Estate	\$ 3,301
Rankin Inlet Housing Association	Deceased Estate	\$ 3,056
Rankin Inlet Housing Association	Deceased Estate	\$ 3,017
Rankin Inlet Housing Association	Deceased Estate	\$ 2,644
Rankin Inlet Housing Association	Deceased Estate	\$ 2,620
Rankin Inlet Housing Association	Deceased Estate	\$ 2,091
Rankin Inlet Housing Association	Deceased Estate	\$ 2,061
Rankin Inlet Housing Association	Deceased Estate	\$ 1,789
Rankin Inlet Housing Association	Deceased Estate	\$ 1,789
Rankin Inlet Housing Association	Deceased Estate	\$ 1,720
Rankin Inlet Housing Association	Deceased Estate	\$ 1,241
Rankin Inlet Housing Association	Deceased Estate	\$ 1,233
Rankin Inlet Housing Association	Deceased Estate	\$ 1,204
Rankin Inlet Housing Association	Deceased Estate	\$ 950
Rankin Inlet Housing Association	Deceased Estate	\$ 932
Rankin Inlet Housing Association	Deceased Estate	\$ 930
Rankin Inlet Housing Association	Deceased Estate	\$ 905
Rankin Inlet Housing Association	Deceased Estate	\$ 874
Rankin Inlet Housing Association	Deceased Estate	\$ 719
Rankin Inlet Housing Association	Deceased Estate	\$ 614
Rankin Inlet Housing Association	Amounts below \$500	\$ 2,506
		<b>\$ 82,678</b>
Repulse Bay Housing Association	Deceased Estate	\$ 3,241
Repulse Bay Housing Association	Amounts below \$500	\$ 60
		<b>\$ 3,301</b>

Community	Name	Amount
Resolute Housing Association	Deceased Estate	\$ 3,405
Resolute Housing Association	Deceased Estate	\$ 2,288
Resolute Housing Association	Deceased Estate	\$ 705
		<b>\$ 6,398</b>
Taloyoak Housing Authority	Deceased Estate	\$ 8,942
Taloyoak Housing Authority	Deceased Estate	\$ 3,244
Taloyoak Housing Authority	Deceased Estate	\$ 3,156
Taloyoak Housing Authority	Deceased Estate	\$ 2,692
Taloyoak Housing Authority	Deceased Estate	\$ 2,488
Taloyoak Housing Authority	Deceased Estate	\$ 932
Taloyoak Housing Authority	Deceased Estate	\$ 786
Taloyoak Housing Authority	Deceased Estate	\$ 715
Taloyoak Housing Authority	Amounts below \$500	\$ 1,020
		<b>\$ 23,975</b>
Tasiurqtit (Whale Cove) Housing Association	Amounts below \$500	\$ 740
		<b>\$ 740</b>
<b>Total All Local Housing Organizations</b>		<b>\$ 488,358</b>

### Statute Barred Accounts

During the year, the Corporation removed from receivables, \$2,063,890 in respect of statute barred balances owed by former tenants of local housing organizations. Leases for these tenants were terminated more than six years ago. The tenants had not been billed since March 31, 2011 and no payments had been received by the local housing organizations in those six years. The individual balances that have been removed do not exceed \$20,000 and were approved for removal by the Corporation's Board of directors.

In accordance with Directive 917-1 (article 3.7) of the Financial Administration Manual, the removal of statute barred balances from accounting records is not considered a write-off but an accounting adjustment.

### Accumulated Surplus

The closing accumulated surplus balance of \$761.2 million is not funds available for use. Non-financial assets that are not held for re-sale 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 the Corporation's assets net of its liabilities.

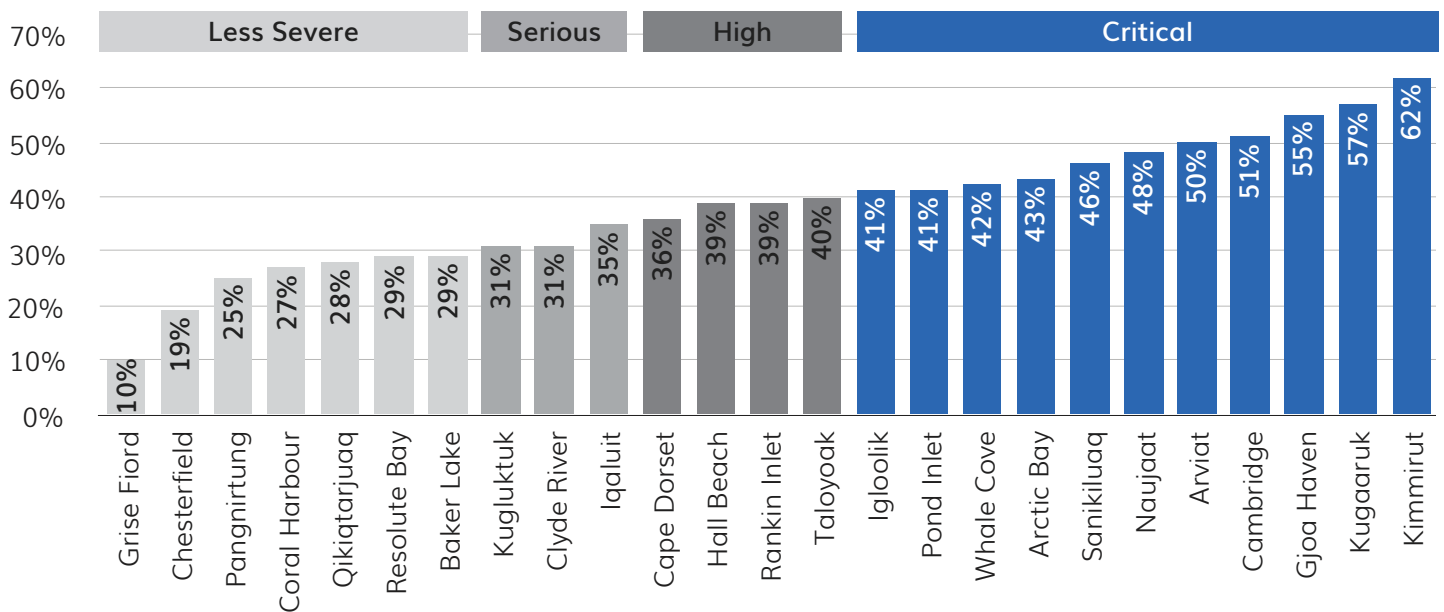


## Management Discussion and Analysis

# Public Housing

The Corporation continues to address the dire need for housing in Nunavut. The chart below shows each community's housing demand. Housing demand is measured using each community's public housing need as a percentage of its 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 chart below, communities with a relative housing need above 40% have the most critical need for public housing, while those below 30% have a comparatively less severe need.

### Housing Need as a Percentage of Stock



The Corporation uses housing need as a percentage of stock to prioritize new construction. In the coming two years (2017-18 and 2018-19), the Corporation will build 185 public housing units in 15 communities. Funding for these projects was provided by the Government of Nunavut through the capital budget as well as the federal government through the Social Infrastructure Fund (SIF) and the Investment in Affordable Housing (IAH) program. Allocation of housing projects was based on each community's need as a percentage of stock. Communities with the most critical need will see more construction in the coming two years as shown below:

Relative Need	Planned Construction	% of Total	Allocated Budget
Critical	120	65%	\$ 60.0M
High	25	14%	\$ 12.5M
Serious	30	16%	\$ 15.0M
Less Severe	10	5%	\$ 5.0M
<b>Total</b>	<b>185</b>	<b>100%</b>	<b>\$ 92.5M</b>

The 'serious' category includes Iqaluit, which has a need for 186 units (9% of the territory's need). It is expected that, over time, continued use of relative need as a construction allocation methodology, will narrow the needs gap across all communities.

## Public Housing – Capital Projects

The Corporation has completed the construction of 45 public housing units in Arviat, Kugaaruk and Pond Inlet. This brings the total number of units built through a combination of the Government of Nunavut’s capital funds and CMHC’s Investment in Affordable Housing (IAH) and the Economic Action Plan (EAP) to 293 units. In 2016 - 2017 the Corporation spent \$17.2 million (2015-2016 – \$54.2 million) on the public housing construction program.

In 2016-2017 the Corporation started construction of 42 public housing units in seven communities. These projects were funded from the Government of Nunavut’s capital budget and CMHC’s \$1.45 million Investment in Affordable Housing program.

Effective April 1, 2016, the Corporation entered into a funding agreement with CMHC for \$84.1 million for new public housing construction, housing for seniors, victims of family violence and social housing renovation/retrofit programs. Over the coming two years, these funds will be used to construct 185 public housing units in fifteen communities and to complete renovation and retrofits to public housing, seniors’ accommodation and homeless shelters.

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

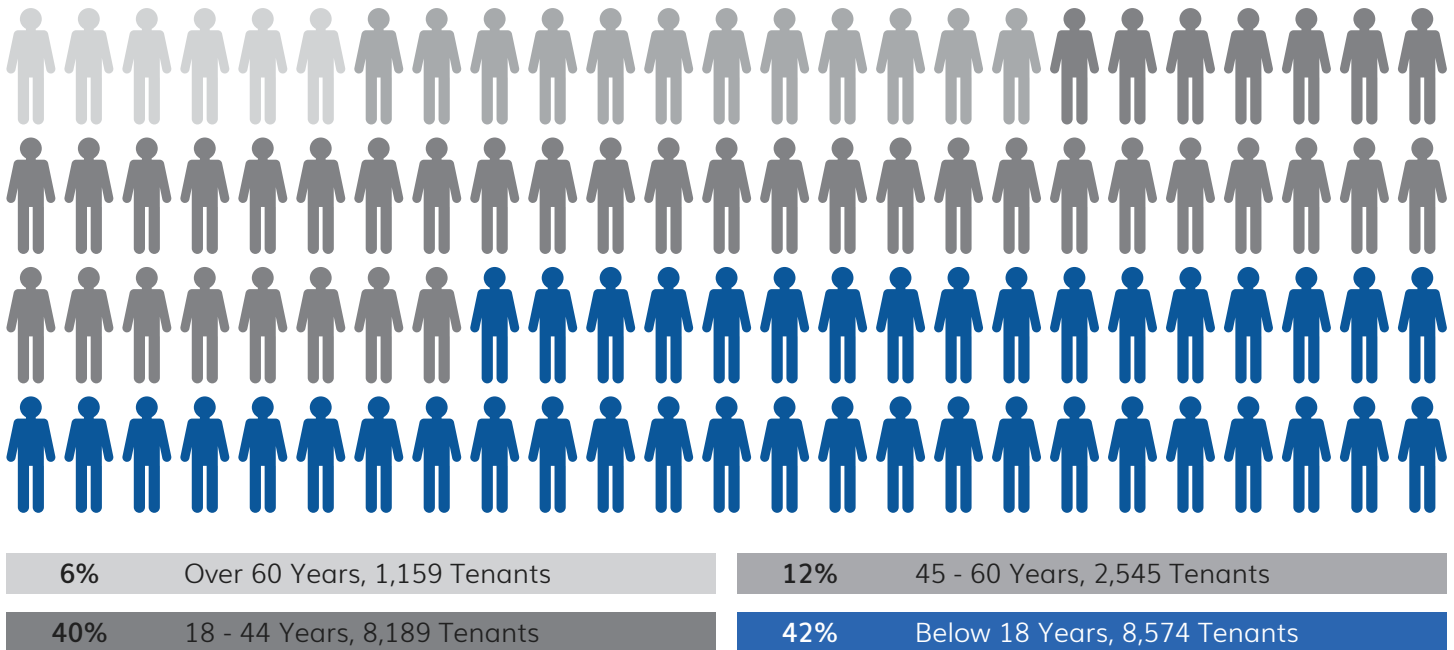
The Corporation is responsible for 5,431 units in the public housing portfolio. The Modernization and Improvement Program ensures the health, safety and suitability of these units. In 2016 - 2017, \$10.3 million (2015 - 2016 – \$8.9 million) was spent on modernization & improvements. Funding for the program came from the following sources:

Government of Nunavut	\$6.0 million
Canada Mortgage and Housing Corporation	\$4.3 million



## Public Housing - Tenant Demographic (All of Nunavut)

The Corporation currently serves 20,647 public housing tenants in 5,431 units. The majority of tenants are in the 18 to 60 year age group, with a sizable number below the age of 18.



The territory's population is aging, with 18% of Nunavut's public housing tenants aged 45 and over. This means that the number of elders living in public housing units will more than double in the next 15 years, further putting a strain on the Corporation's limited number of units customized for elders. Assessing the need and developing more supportive housing options for elders is an important part of the Government of Nunavut's Blueprint for Action on Housing. The Corporation directed \$1.2 million provided through the Social Infrastructure Fund to repairs and renovations to the Arviat and the Iqaluit Elders' Centers. To relieve elders of the burden of rent, public tenants over the age of 60 and under the Core Need Income Threshold (CNIT) are not assessed rent. Elders will only be charged rent on any income above CNIT.

Elders living in their own homes have access to the Corporation's homeownership programs. These include the Seniors and Persons with Disabilities Housing Options Program (SPDHOP), Senior Citizen Home Repair Program (SCHRP) and the Senior and Persons with Disabilities Preventative Maintenance Program (SPDPMP).

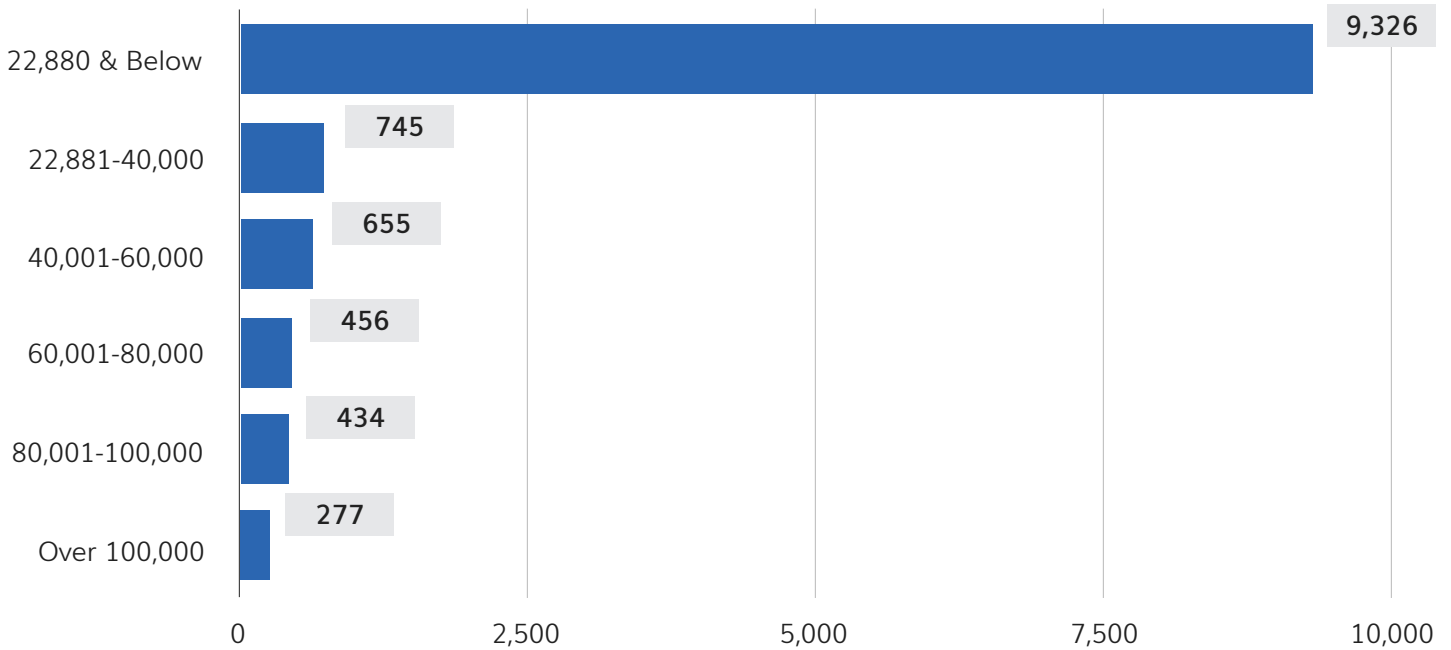
42% of public housing tenants are below the age of 18. In addition, 40% of public housing tenants are between the ages of 18 and 44. With 82% of the tenants below the age of 44, Nunavut will most likely see an exponential growth in its population in the coming years. Based on the 2009 Nunavut Housing Needs Survey, the territory needed to build 90 units annually just to keep up with population growth. This number will continue to increase due to a likely increase in Nunavut's birth rate amongst Nunavut's productive age group.

Given the enormity of the territory's housing need, public housing on its own cannot provide the solution to the territory's housing crisis. A more robust solution that addresses varying needs on the housing continuum will need to be developed. The Blueprint for Action on Housing identifies several initiatives to address the territory's growing need including homeownership, long term federal funding for public housing and infrastructure, partnerships with the private sector and Regional Inuit Organizations and support for non-profit social housing.

## Public Housing – Annual Income (Tenants Over 18)

The chart below shows income levels of 11,893 public housing tenants above the age of eighteen. 78% of the territory's public housing clients (9,326 tenants) earn less than \$22,880 a year. Only 2% (277 tenants) earn over \$100,000 a year.

### Annual Income - Public Housing Tenants Over 18 Years



Public housing rent assessments are geared to a tenant's income, meaning the more income a tenant makes, the more rent they are likely to pay. The public housing rent scale assesses income of the two primary tenants in each unit based on the following annual income brackets:

Below \$22,881	Minimum rent of \$60 a month
\$22,881 to \$40,000	20% of annual income
\$40,001 to \$80,000	25% of annual income
\$80,000 and above	30% of annual income

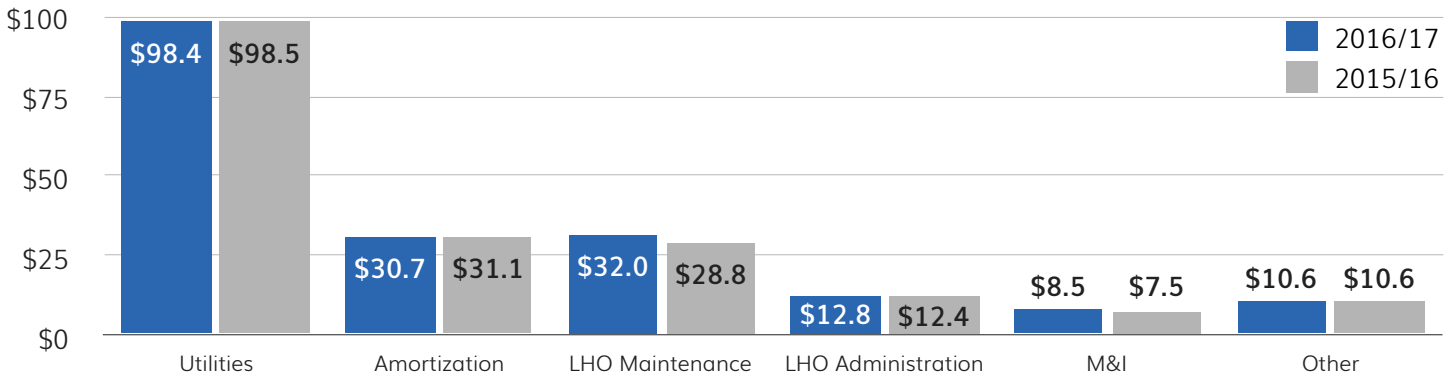
With 78% of public housing tenants earning less than \$22,880 per year, the local housing organizations' ability to generate revenues from rent is severely limited. In 2016-2017 LHOs assessed \$15.2 million in public housing rent. This amounts to only 8% of the cost of providing public housing. The Government of Nunavut (GN) and the Canada Mortgage and Housing Corporation provide the bulk of the funds needed to run a viable public housing program. The GN's contribution will continue to grow as more and more housing units are added to the stock.

The GN's contributions to public housing average 13% of its revenues, over 13 times greater than that of other Canadian provinces and territories.

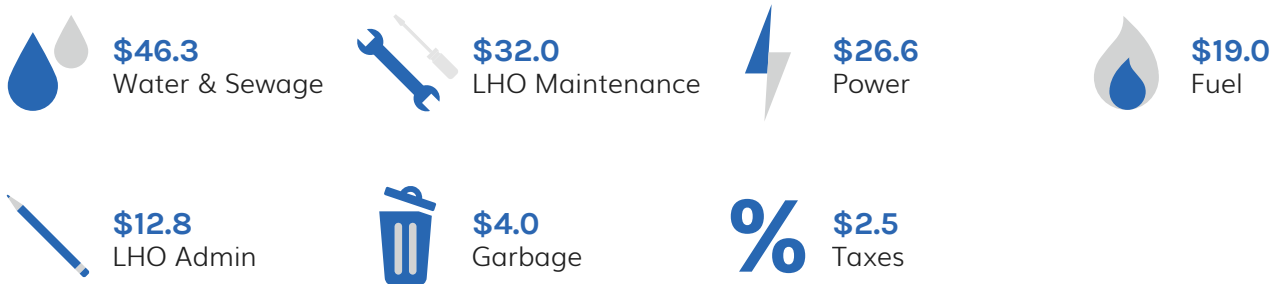
## Public Housing - Operation and Maintenance (O&M)

The Social Housing Program is a single line on the Consolidated Statement of Operations with the details outlined in **Schedule B** of the audited financial statements. Public housing expenses increased from \$188.9 million in 2015 - 2016 to \$193.0 million in 2016-2017, an increase of \$4.1million. This increase is primarily due to the increase in LHO maintenance expenses. The public housing stock increased by 48 units, resulting in an increase in maintenance and administration expenses. Three of the twenty five hamlets increased water rates while electricity rates slightly declined during the year.

### Public Housing Operating Expenses (\$ millions)



### Public housing operating costs are broken down as follows:



### Average Cost Per Unit (In thousands of dollars)

Average Cost Per Unit (in thousands)		
Water & Sewage	8.6	Water & Sewer costs are the largest single expense for public housing. They exceed the cost of LHO administration & maintenance combined. The annual average administration and maintenance cost is \$8,300 per unit while water & sewer costs are \$8,600 per unit per year).
Power	4.9	
Fuel	3.5	
Garbage	0.7	
Taxes	0.5	
<b>Subtotal – Utilities</b>	<b>18.2</b>	
LHO Admin	2.4	
LHO Maintenance	5.9	
<b>Sub-total LHO</b>	<b>8.3</b>	
<b>Total</b>	<b>\$ 26.5</b>	

## Management Discussion and Analysis

# Staff Housing

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

The inventory of 1,511 staff housing units is administered by the Corporation. Of these, 407 are owned by the Corporation while 1,104 units are leased (73.0% of the staff housing portfolio). Over time, the Corporation will need to address the composition of this portfolio with a view towards rebalancing its assets. Steps are being taken to increase the range of housing options available to Government of Nunavut staff.

Staff housing program costs increased from \$53.4 million to \$55.4 million, an increase of \$2.0 million. This was largely driven by an increase in lease rates, a \$666,000 write-off of a wind-damaged six-plex in Pangnirtung and a \$579,000 increase in amortization of owned units. Utility, maintenance and administration costs decreased by \$881,000. Revenues for staff housing rents are collected and retained by the Government of Nunavut Department of Finance.

### Staff Housing Operations & Maintenance Costs (\$ millions)



## Management Discussion and Analysis

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

### Active home renovation and repair programs currently offered:

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

## Homeownership Program Spending

In 2016 – 2017, \$5.1 million (2015 - 2016 – \$6.2 million) was spent on Homeownership Programs. Funding for these programs came entirely from the Government of Nunavut's capital budget.

### Breakdown of homeownership Program spending by Region

Program	Qikiqtaaluk	Kitikmeot	Kivalliq	Total Nunavut
SCHRP	15,798	90,000	16,521 \$	122,319
ERP	249,827	214,635	481,157 \$	945,619
NDAP	876,750	233,385	257,250 \$	1,367,385
HRP	1,346,295	477,732	541,333 \$	2,365,360
SPDPMP	3,669	4,335	660 \$	8,664
HOTRP	57,460	83,800	101,888 \$	243,148
<b>Total</b>	<b>\$ 2,549,799</b>	<b>\$ 1,103,887</b>	<b>\$ 1,398,809</b>	<b>\$ 5,052,495</b>

The Nunavut Down-payment Assistance Program, the Home Repair Program and the Emergency Repair programs are by far the most active, accounting for 93% of expenditures and 80% of approved applications. The Corporation approved 43% (354 applications) out of the 810 applications received. The majority of the 411 pending applications have insufficient information necessary for staff to determine eligibility.

45 applications were declined for reasons of ineligibility including the applicant having arrears, the applicant's income being above Homeownership Program Income Eligibility (HPIE) criteria, or request being submitted long after completion of repairs.

### Breakdown of approved homeownership applications by program:

Community	ERP	HRP	HOTRP	NDAP	SCHRP	SPDPMP	TOP	IFP	SPDHOP	TOTAL
Arctic Bay	2	0	0	0	0	2	0	0	0	4
Cape Dorset	3	0	2	0	1	0	0	0	0	6
Clyde River	0	1	0	0	0	0	0	0	0	1
Grise Fiord	0	0	0	0	0	0	0	0	0	0
Hall Beach	2	0	0	0	0	0	0	0	0	2
Igloolik	5	0	0	0	0	0	0	0	0	5
Iqaluit	27	17	10	35	1	3	0	0	0	93
Kimmirut	5	0	0	0	0	1	0	0	0	6
Pangnirtung	2	3	2	2	0	0	0	0	0	9
Pond Inlet	3	0	1	0	0	0	0	0	0	4
Qikiqtarjuaq	0	0	0	0	0	0	0	0	0	0
Resolute Bay	3	0	0	0	0	0	0	0	0	3
Sanikiluaq	1	0	1	0	0	0	0	0	0	2
<b>Qikiqtaaluk</b>	<b>53</b>	<b>21</b>	<b>16</b>	<b>37</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>
Arviat	21	9	8	2	2	3	0	0	0	45
Baker lake	11	1	2	1	1	0	0	0	0	16
Chesterfield Inlet	1	0	0	0	0	0	0	0	0	1
Coral Harbour	3	0	0	0	0	0	0	0	0	3
Nauyasat	1	0	0	0	0	0	0	0	0	1
Rankin Inlet	33	13	2	10	2	0	0	0	0	60
Whale Cove	1	0	0	0	0	0	0	0	0	1
<b>Kivalliq</b>	<b>71</b>	<b>23</b>	<b>12</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127</b>
Cambridge Bay	5	2	4	8	0	1	0	0	0	20
Gjoa Haven	12	3	5	1	6	0	0	0	0	27
Kugaaruk	6	3	1	0	0	0	0	0	0	10
Kugluktuk	10	1	4	2	4	2	0	0	0	23
Taloyoak	6	5	1	0	0	0	0	0	0	12
<b>Kitikmeot</b>	<b>39</b>	<b>14</b>	<b>15</b>	<b>11</b>	<b>10</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92</b>
<b>Total Nunavut</b>	<b>163</b>	<b>58</b>	<b>43</b>	<b>61</b>	<b>17</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>354</b>



### Breakdown of homeownership applications by program:

Program	Pending & Waitlisted at March 31, 2016	New Applications	Approved Applications	Declined Applications	Waitlisted at March 31, 2017	Pending at March 31, 2017
SCHRP	19	26	17	3	0	25
ERP	86	222	163	14	0	131
NDAP	17	61	61	8	0	9
HRP	99	125	58	7	0	159
SPDPMP	10	20	12	0	0	18
HOTRP	48	72	43	11	0	66
IFP	2	0	0	1	0	1
TOP	0	3	0	1	0	2
SPDHOP	0	0	0	0	0	0
<b>Total</b>	<b>281</b>	<b>529</b>	<b>354</b>	<b>45</b>	<b>0</b>	<b>411</b>

### Eligibility for Homeownership Programs

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

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

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

Income as % of the community HPIE Limit	Maximum Contribution Amount
0% up to 80% of HPIE	100% of repair costs up to a maximum of \$65,000
Between 80% and 85% of HPIE	80% of repair costs up to a maximum of \$52,000
Between 85% and 90% of HPIE	60% of repair costs up to a maximum of \$39,000
Between 90% and 95% of HPIE	40% of repair costs up to a maximum of \$26,000
Between 90% and 100% of HPIE	20% of repair costs up to a maximum of \$13,000
Greater than 100% of HPIE	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 do renovation and repair work significantly adds to the costs. For this reason, a new clause was added to home repair and maintenance program guidelines to allow additional program funding to include travel costs of bringing a contractor in to complete the job. Funding for contractor travel is available for the HRP, ERP, SCHRP and HOTRP programs.

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

# Management Discussion and Analysis

## Blueprint for Action

On October 20, 2016, the Minister Responsible for the Nunavut Housing Corporation tabled the Blueprint for Action on Housing in the Legislative Assembly. The Blueprint for Action on Housing is a culmination of years of collaboration and engagement, and represents the GN's action plan to address Nunavut's severe housing crisis.

Along with the GN Long-Term Comprehensive Housing and Homelessness Framework and Strategy, the Blueprint for Action on Housing is the third and final piece in the *Igluliuqatigiilauqta* – Let's Build a Home Together initiative. The implementation of the Blueprint for Action on Housing will begin in April 2017, and it is intended as a long-term, multi-year action plan.

Developed through comprehensive engagement sessions with over 100 participants from all GN departments, as well as other stakeholders, the Blueprint lays out 60 concrete actions to collaboratively address the territory's housing crisis. The actions set out in the Blueprint build on the strategic directions, goals and objectives established in the Framework and Strategy. Actions identified in the Blueprint for Action vary greatly in terms of scope, and complexity, and each has an identified lead department responsible for implementation and reporting progress.

The Blueprint for Action on Housing is centered on collaboration, and takes a whole-of-government approach to inform the GN's actions in addressing the many separate, yet interconnected, issues impacting the delivery of suitable, safe and affordable housing for Nunavummiut. Just as a home does not stand alone, but rather fits into a neighbourhood, a community, and the territory, housing as a priority, is intricately linked with all of the GN's priorities. The development and implementation of the Blueprint for Action has been, and will continue to be based on the principles of *aqjiiqatigiinniq* - decision making through discussion and consensus, as well as *ikajuqtiigiinniq* - working together for a common cause.

Through the engagement process, nine key housing issues were identified as limiting the development and improvement of housing in Nunavut. Identified issues include land development, capital planning, workforce development, and care/supportive housing. The 60 actions in the Blueprint are each designed to address one of these 9 issues.

The NHC will lead the implementation of the Blueprint for Action on Housing, guided by an established accountability framework that will see quarterly reporting on each action, and an Annual Status of Housing Report to be tabled in the legislative assembly.

The NHC looks forward to working with all GN Departments and Agencies, as well as other stakeholders, to ensure the strategic activities set out in the Blueprint for Action are carried through. Only by working together, can we meaningfully improve the housing situation for all Nunavummiut



## Management Discussion and Analysis

# Project Feature – e-Builder Software Roll-out

On April 1, 2017 the e-Builder Project Management Software (e-Builder) was launched at Nunavut Housing Corporation (NHC).

Over the past number of years due to the increased volume of capital projects and the need for consistent reporting, a project management software became necessary. The Department of Community and Government Services (C&GS) acquired e-Builder four years ago and were instrumental in providing an evaluation of the software to NHC. A standalone version of E-builder was purchased on July 16, 2016. Training of NHC staff in the 3 district offices and the directorate office took place prior to the launch. A twelve month implementation period has been allocated to allow NHC users to become proficient with software. In future, contractors and consultants will be integrated into the system as users.



E-Builder is a cloud based program management solution for facility owners and is intended for use throughout the entire construction life cycle. It combines capital planning, cost management and controls, process automation, reports, scheduling and document management. Currently the main modules being used by NHC include processes, costs, document management and reporting. As we move forward with e-builder additional modules will be integrated. For instance the NNI module which calculates and tracks Inuit content for each project will be added.

The system allows for creation of processes to meet the Corporation's requirements. Processes can be developed for progress payments, general invoice payments and change order approvals. These same processes can be integrated with the cost module such that upon completion of the process the system is automatically updated – for example adding a change order amount to an original contract amount or reflecting actuals paid out to contractors and consultants.

E-builder allows for real-time reporting. With as many as 40 active capital projects throughout the territory, getting real-time information directly from the system cuts down on response time and improves accuracy of reporting.

The software allows NHC to determine a file structure for their projects. This file structure is replicated across every project to ensure the correct information is filed in the same place for every project. The intent is to standardize the filing system for projects, improve reporting on projects throughout the territory and provide the ability to review historical data as all information for the territory is in one location.

The system's capabilities will improve the project management process in the district offices and the program management at the Directorate.



## Management Discussion and Analysis

# Construction Program

During the year the Corporation completed 45 public housing units in three communities. The delivery of these units marked the conclusion of a 293-unit public housing construction program started in 2013-2014. These projects were funded through the \$100 million provided by CMHC under the Economic Action Plan (EAP) as well as CMHC's Investment in Affordable Housing (IAH) initiative which provided \$1.455 million in matching funds annually. The Government of Nunavut provides ongoing funding for public housing through the capital budget.

The Corporation also completed the construction of a staff housing duplex (2 units) in Sanikiluaq. Construction of staff housing is funded entirely by the Government of Nunavut.

As at March 31, 2017, the Corporation had 42 public housing and 41 staff housing construction projects that were at varying levels of completion.

The NHC welcomed the March 2016 announcement by the Federal Government, of \$76.7 million for public housing in Nunavut as it demonstrates an increasing awareness of a dire need for housing in Nunavut. These funds, the Government of Nunavut's capital budget and the federal Investment in Affordable Housing initiative will be used to construct 185 public housing units in 15 communities during 2017-2018 and 2018-2019.

## Housing Units Completed During 2016-2017

Community	Building Type	Program	Number of Units
Arviat	Five Plex	Public Housing	5
Arviat	Five Plex	Public Housing	5
Arviat	Five Plex	Public Housing	5
Kugaaruk	Five Plex	Public Housing	5
Kugaaruk	Five Plex	Public Housing	5
Kugaaruk	Five Plex	Public Housing	5
Pond Inlet	Five Plex	Public Housing	5
Pond Inlet	Five Plex	Public Housing	5
Pond Inlet	Five Plex	Public Housing	5
Sanikiluaq	Duplex	Staff Housing	2
<b>Total Units</b>			<b>47 units</b>

## Housing Construction In Progress

Community	Type	Number of Units	Percentage of Completion
<b>Public Housing</b>			
Arctic Bay	Public Housing	5	8%
Gjoa Haven	Public Housing	5	99%
Igloolik	Public Housing	5	99%
Iqaluit	Public Housing	2	99%
Kugaaruk	Public Housing	5	3%
Naujaat	Public Housing	5	15%
Naujaat	Public Housing	5	15%
Pond Inlet	Public Housing	5	13%
Pond Inlet	Public Housing	5	13%
<b>Total Units</b>		<b>42 units</b>	
<b>Staff Housing</b>			
Arctic Bay	Staff Housing	5	8%
Coral Harbour	Staff Housing	3	99%
Gjoa Haven	Staff Housing	5	99%
Hall Beach	Staff Housing	4	3%
Igloolik	Staff Housing	5	99%
Kugaaruk	Staff Housing	5	3%
Kugluktuk	Staff Housing	5	99%
Naujaat	Staff Housing	2	15%
Naujaat	Staff Housing	5	15%
Resolute Bay	Staff Housing	2	99%
<b>Total Units</b>		<b>41 units</b>	

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017

**NUNAVUT HOUSING CORPORATION**  
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**MARCH 31, 2017**

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# Management's Responsibility for Financial Reporting

28 August 2017

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.



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Terry Audla  
President & Chief Executive Officer



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

Iqaluit, Nunavut  
28 August 2017





## 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 2017, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

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

Canadian public sector accounting standards require Nunavut Housing Corporation to consolidate the financial statements of its Local Housing Organizations. Canadian public sector accounting standards require inventories held for use to be reported as a non-financial asset when acquired and recognized as an expense when used. Since management had not implemented an adequate system of inventory control, including reliable count procedures and appropriate inventory records, at all Local Housing Organizations, I was unable to obtain sufficient appropriate audit evidence about inventories held for use by Local Housing Organizations as at 31 March 2015 and was unable to satisfy myself concerning inventories by alternative means.

Since opening inventories enter into the determination of the results of operations and changes in net financial assets, I was unable to determine whether any adjustments might be necessary to the results of operations and changes in net financial assets for the year ended 31 March 2016. My audit opinion on the consolidated financial statements for the year ended 31 March 2016 was modified accordingly because of the possible effects of this limitation in scope. My opinion on the current year's consolidated financial statements is also modified because of the possible effects of this matter on the comparability of the current period's figures and the comparative information.

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

In my opinion, except for the possible effects on the comparative information of the matter described in the Basis for Qualified Opinion on the Results of Operations and Changes in Net Financial Assets paragraph, the consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the results of operations and changes in net financial assets of Nunavut Housing Corporation for the year ended 31 March 2017 in accordance with Canadian public sector accounting standards.

*Opinion on the Financial Position and Cash Flows*

In my opinion, the consolidated statement of financial position and consolidated statement of cash flow present fairly, in all material respects, the financial position of Nunavut Housing Corporation as at 31 March 2017, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Report on Other Legal and Regulatory Requirements**

As required by the *Financial Administration Act* of Nunavut, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

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



Michael B. Robichaud, CPA, CA  
Principal  
for the Auditor General of Canada

28 August 2017  
Ottawa, Canada

**NUNAVUT HOUSING COPORATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2017  
(in thousands of dollars)

	2017	2016
<b>Financial assets</b>		
Cash	\$ 52,170	\$ 22,889
Accounts receivable (Note 4)	7,794	12,017
Portfolio investments (Note 5)	116,709	111,427
Mortgages receivable (Note 6)	3,231	3,287
<b>Total financial assets</b>	179,904	149,620
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	52,299	45,624
Capital funding advanced (Note 8)	32,725	3,636
Long-Term Debt (Note 9)	10,320	11,394
Capital lease obligations (Note 10)	2,834	3,255
Employee future benefits (Note 11)	2,480	1,967
<b>Total liabilities</b>	100,658	65,876
<b>Net financial assets</b>	79,246	83,744
<b>Non-financial assets</b>		
Tangible capital assets (Schedule C)	661,527	659,581
Condominiums held for resale (Note 12)	14,394	-
Inventory for use	5,895	5,956
Prepaid expenses	136	28
<b>Total non-financial assets</b>	681,952	665,565
<b>Accumulated surplus</b>	\$ 761,198	\$ 749,309
Contingencies (Note 15)		
Contractual obligations (Note 16)		



Bob Leonard  
Chairperson



Terry Audla  
President & Chief Executive Officer

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

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
(in thousands of dollars)

	<u>Budget</u> 2017	<u>Actual</u> 2017	<u>Actual</u> 2016
<b>Generated revenues</b>			
Social housing rental revenue	\$ 13,580	\$ 15,156	\$ 13,533
Other revenue (Schedule A)	<u>2,777</u>	<u>6,165</u>	<u>7,339</u>
<b>Total generated revenues</b>	<u>16,357</u>	<u>21,321</u>	<u>20,872</u>
<b>Expenses</b>			
Social housing program (Schedule B)	201,532	193,028	188,880
Staff housing program (Schedule B)	59,756	55,365	53,391
Corporate administration (Schedule B)	18,764	22,492	20,664
Homeownership programs	4,616	5,052	6,162
Homelessness	<u>10</u>	<u>10</u>	<u>10</u>
<b>Total Expenses</b>	<u>284,678</u>	<u>275,947</u>	<u>269,107</u>
<b>Net results of operations before government funding</b>	<u>(268,321)</u>	<u>(254,626)</u>	<u>(248,235)</u>
<b>Government funding</b>			
Transfers from Government of Nunavut (Note 3)	236,537	238,299	226,569
Transfers from Canada Mortgage and Housing Corporation (CMHC) (Note 14)	<u>27,544</u>	<u>28,216</u>	<u>68,044</u>
<b>Total government funding</b>	<u>264,081</u>	<u>266,515</u>	<u>294,613</u>
<b>(Deficit) surplus for the year</b>	(4,240)	11,889	46,378
<b>Accumulated surplus, opening</b>	<u>749,309</u>	<u>749,309</u>	<u>702,931</u>
<b>Accumulated surplus, closing</b>	<u>\$ 745,069</u>	<u>\$ 761,198</u>	<u>\$ 749,309</u>

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

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
(in thousands of dollars)

	<u>Budget</u> 2017	<u>Actual</u> 2017	<u>Actual</u> 2016
<b>(Deficit) surplus for the year</b>	\$ (4,240)	\$ 11,889	\$ 46,378
Tangible capital assets (Schedule C)			
Additions	(54,247)	(37,274)	(62,649)
Disposals	-	1,061	453
Amortization	<u>38,244</u>	<u>34,267</u>	<u>34,139</u>
	(20,243)	9,943	18,321
Purchases of condominiums for resale	-	(14,394)	-
Purchases of inventory for use	(5,197)	(5,366)	(6,420)
Consumption of inventory for use	5,197	5,427	4,516
Net (acquisition)/use of prepaid expenses	<u>-</u>	<u>(108)</u>	<u>36</u>
<b>Change in net financial assets</b>	(20,243)	(4,498)	16,453
<b>Net financial assets, opening</b>	<u>83,744</u>	<u>83,744</u>	<u>67,291</u>
<b>Net financial assets, closing</b>	<u>\$ 63,501</u>	<u>\$ 79,246</u>	<u>\$ 83,744</u>

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

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
(in thousands of dollars)

	2017	2016
<b>Cash provided by operations</b>		
Transfers from the Government of Nunavut	\$ 206,962	\$ 201,315
Transfers from CMHC	22,207	21,661
Rent collections	13,247	11,678
Miscellaneous revenues and recoveries	6,583	6,471
Contributions for social housing	(151,809)	(159,868)
Staff housing	(51,398)	(50,443)
Administration	(9,991)	(22,964)
Homeownership grants and contributions	(4,878)	(5,986)
Homelessness	(10)	(10)
Interest payments on long term debt	(830)	(905)
Interest payments on capital leases	(168)	(206)
Capital lease executory costs	(38)	(38)
Interest earned on mortgages receivable	130	103
<b>Cash provided by operations</b>	<b>30,007</b>	<b>808</b>
<b>Cash provided by/(used for) capital activities</b>		
Tangible capital asset acquisitions	(43,644)	(63,635)
(Cost)/proceeds from disposals of tangible capital assets	-	152
Funding from Government of Nunavut	29,532	23,674
Funding from CMHC	35,099	16,534
<b>Cash provided by/(used for) capital activities</b>	<b>20,987</b>	<b>(23,275)</b>
<b>Cash used for financing activities</b>		
Principal payments on long-term debt	(1,418)	(1,379)
Principal payments on capital lease	(421)	(395)
<b>Cash used for financing activities</b>	<b>(1,839)</b>	<b>(1,774)</b>
<b>Cash (used for)/provided by investing activities</b>		
Investments acquired	(100,904)	(191,676)
Investments redeemed	94,709	205,435
Acquisition of condominiums for resale	(14,394)	-
Recovery of homeowner's assistance	177	432
Mortgage payments disbursed	-	(324)
Mortgage payments received	538	698
<b>Cash (used for)/provided by investing activities</b>	<b>(19,874)</b>	<b>14,565</b>
<b>Increase/(decrease) in cash</b>	29,281	(9,676)
<b>Cash, opening</b>	22,889	32,565
<b>Cash, closing</b>	<b>\$ 52,170</b>	<b>\$ 22,889</b>

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

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017  
(in thousands of dollars)

**1. PURPOSE OF THE ORGANIZATION**

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

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Principles of consolidation**

These consolidated financial statements include the accounts of the Corporation and the accounts of 25 controlled Local Housing Organizations (LHOs). These can be in the form of Housing Associations or Housing Authorities.

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

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

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

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017  
(in thousands of dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(a) Principles of consolidation (continued)**

The Corporation's relationship with the various Local Housing Organizations is as a "partner" in the delivery of social housing, as provided under individual management agreements. The LHOs complete Modernization & Improvement projects on various social housing units, as approved by the Corporation.

**(b) Contributions of social housing**

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

**(c) Revenue recognition**

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

Federal funding from CMHC, provided under the Affordable Housing Program is used for the capital costs of housing units built under these programs.

Government transfers are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability. The funds used for long term debt principal repayments are reported on the consolidated statement of operations and accumulated surplus as transfers from the Government of Nunavut.

Social housing rental revenue is recognized on an accrual basis. An allowance is established for any amounts deemed not recoverable. The Corporation does not hold long term leases with any of its social housing tenants. Social housing leases are on a month-to-month basis.

**(d) Cash and cash equivalents**

Cash is comprised of bank account balances, net of outstanding cheques. Cash equivalents consist of highly liquid investments with initial maturities of up to 3 months held for the purpose of meeting short term operating cash commitments rather than for investment purposes. There were no cash equivalents as at March 31, 2017 (2016 - None).



**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017  
(in thousands of dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Portfolio investments**

Portfolio investments consist of investments in organizations that do not form part of the Corporation reporting entity. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income. Interest income is recorded on the accrual basis.

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

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

Office furniture, equipment and mobile equipment	Declining balance 20%
Warehouses and offices	Declining balance 5%
Social housing, staff housing and lease to purchase housing	Declining balance 5%
Equity land leases and assets under capital leases	Straight-line basis over lease term
Leasehold improvements	Straight-line basis over the lesser of the lease term or useful life

Equity land leases are land that is owned by the municipalities which NHC leases the right to use for a period of 30 years.

Buildings transferred to the Corporation from CMHC or by the Government of Nunavut, are initially recognized at their respective fair value when transferred. Construction in progress includes amounts, such as building materials, which may be transferred to social housing, staff housing, or offices and warehouses and are carried at cost. Housing for sale includes amounts that may be transferred to homeowners and is carried at cost and not amortized. For construction in progress, amortization begins in the year the building is completed and transferred into one of the depreciable asset categories and is taken for the full year.

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. 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.

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017  
(in thousands of dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Mortgages receivable**

**(i) Mortgages subsidies**

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

Accordingly, the mortgages receivable balance is measured at cost, net of the mortgage subsidies and an allowance for impairment.

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

**(ii) Allowance for impaired mortgages**

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

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

**(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 Board of Directors 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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Mortgages receivable (continued)**

(iv) Quit claims

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer title back to the Corporation for a nominal fee. The amortized cost of quit claim units included 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) Mortgage interest revenue**

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

**(i) Pension plans**

(i) Public service pension plan

Eligible employees of the Corporation are covered by the Public Service Pension (the Plan), a defined benefit plan established through federal legislation and sponsored by the Government of Canada. 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.

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.

(ii) Northern Employee Benefits Services (NEBS) pension plan

All eligible employees of the 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. All 25 LHOs are member participants.

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Pension plans (continued)**

**(ii) Northern Employee Benefits Services (NEBS) pension plan (continued)**

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

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

**(j) Employee future benefits**

Under the conditions of employment, eligible employees may earn benefits for resignation, retirement and removal costs based on the years of service. The benefits are paid upon resignation, retirement or death of an employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits for employees of the Corporation has been prepared using data provided by the Government of Nunavut and assumptions based on their best estimates.

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

Sick leave

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

**(k) Measurement uncertainty**

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

**NUNAVUT HOUSING CORPORATION**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Measurement uncertainty (continued)**

Where actual results differ from these estimates and assumptions, the impact will be recorded in periods in which the actual results become known.

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

**(l) Services provided without charge**

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

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

**(m) Inventory for use**

Inventory for use consists mainly of materials required to maintain public housing units. The inventory is valued using the first in, first out method at cost. Previously, Local Housing Organizations were expensing consumable inventory in the year in which the consumable inventory was acquired. As at March 31, 2017, all 25 (2016 - 25) Local Housing Organizations are recording consumable inventory on the consolidated statement of financial position.

**(n) Loan guarantees**

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

**(o) Homeownership program grants**

The Corporation, under section 44(1) of its Act, may make a home ownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. Grants provided to homeowners vary in amount depending on the limits of the various home ownership programs and the income of the recipients and are only expected to be repaid if certain conditions are not met. Grants are expensed in the year expenditures are approved and any recoveries of conditional grants are recognized in the year the amount is recovered from the recipient.

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Financial instruments**

The following is a list of the Corporation's financial instruments and their related measurement bases as at March 31, 2017.

<b>Financial Assets</b>	<b>Measurement Basis</b>
Cash	Cost
Accounts receivable	Cost
Portfolio investments	Amortized cost
Mortgages receivable	Cost
 <b>Financial Liabilities</b>	 <b>Measurement Basis</b>
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, the Statement of Remeasurement Gains and Losses has been excluded.

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 of a future event that would confirm the Corporation's responsibility is not determinable, or if it is not determinable if future economic benefits will be given up, or if an amount cannot be reasonably estimated, then a contingent liability is disclosed in the notes to the consolidated financial statements and no liability is accrued.

**NUNAVUT HOUSING CORPORATION**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(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.

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.

**(t) Future changes in accounting standards**

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

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

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

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

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

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

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) Future changes in accounting standards (continued)**

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

**3. TRANSFERS FROM GOVERNMENT OF NUNAVUT**

	2017	2016
Operating and maintenance contributions	\$ 200,239	\$ 193,678
Capital contributions	38,060	32,891
	\$ 238,299	\$ 226,569

**4. ACCOUNTS RECEIVABLE**

	2017	2016
<b>Receivable from related parties</b>		
Government of Nunavut trade receivable	\$ 792	\$ 702
<b>Other receivables</b>		
Tenant accounts receivable	30,479	30,645
Trade and other accounts receivable	6,454	10,718
Canada Mortgage and Housing Corporation (CMHC)	15	16
Direct financing lease receivable	272	292
	38,012	42,373
Less: Allowance for doubtful accounts (Note 13(a))	(30,218)	(30,356)
	\$ 7,794	\$ 12,017

**5. PORTFOLIO INVESTMENTS**

Portfolio investments include the following:

	2017 Term to Maturity	2017 Carrying Value	2016 Carrying Value
Provincial government notes and bonds	3 years	\$ 32,244	\$ 5,864
Various banker's acceptances	Within 1 year	84,465	105,563
		\$ 116,709	\$ 111,427

The market value of the portfolio investments at March 31, 2017 was \$116,443 (2016 - \$110,770), with an average yield in 2017 of 1.56% (2016 - 1.36%).



**NUNAVUT HOUSING CORPORATION**  
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**6. MORTGAGES RECEIVABLE**

	<u>2017</u>	<u>2016</u>
Mortgage bearing interest at rates varying between 2.00% and 11.25% (2016 - 2.00% and 11.25%) per annum, repayable over a maximum period of 25 years	\$ 11,164	\$ 11,825
Less: Subsidy amount by the Corporation	(4,895)	(5,093)
Less: Allowance for impairment	(3,038)	(3,445)
	<u>\$ 3,231</u>	<u>\$ 3,287</u>

The recorded value of those mortgages specifically identified as being impaired is \$3,038 as at March 31, 2017 (2016 - \$3,445).

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

Conditional grants have been provided by the Corporation to eligible homeowners, which are fully forgivable based on the conditions specific to each program. If the conditions are not met, the grants are repayable to the Corporation. The conditional grants of \$4,801 as at March 31, 2017 (2016 - \$5,499) were expensed on the consolidated statement of operations and accumulated surplus during the year.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2017</u>	<u>2016</u>
<b>Payable to related parties (Schedule E)</b>	\$ 26,186	\$ 18,232
<b>Other payables</b>		
Trade payable	22,198	23,778
Accrued interest payable	178	202
Accrued wages and employee benefits	2,949	2,700
Security deposits	788	712
	<u>\$ 52,299</u>	<u>\$ 45,624</u>

**8. CAPITAL FUNDING ADVANCED**

As part of the Government of Canada's Economic Action Plan 2013, the Canada Mortgage and Housing Corporation (CMHC) was authorized to provide the Corporation with an additional \$100 million in funds through the Investment in Affordable Housing (IAH) agreement. All capital funding in relation to this agreement was advanced as of March 31, 2015.

In 2017, CMHC entered into an IAH supplementary agreement with the Corporation for additional funding of \$84.1 million over two years through the Social Infrastructure Fund (SIF) agreement. As of March 31, 2017, \$35.2 million (2016 - \$ nil) had been provided to the Corporation.

**NUNAVUT HOUSING CORPORATION**  
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**8. CAPITAL FUNDING ADVANCED (continued)**

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 to be completed by 2019, and are repayable to CMHC in the event that the funds are not spent in these timeframes.

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

Revenue recognized in relation to this funding and the corresponding liability recognized for remaining funds advanced but not yet spent are as follows:

	2017	2016
Capital funding advanced, opening	\$ 3,636	\$ 48,574
IAH and SIF capital funding advanced	36,625	1,455
Advanced funds used for capital additions	(7,536)	(46,393)
Capital funding advanced, closing	\$ 32,725	\$ 3,636

The Corporation has committed this funding to capital projects as discussed in Note 16.

**NUNAVUT HOUSING CORPORATION**  
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**9. LONG-TERM DEBT**

	Debt balance	CMHC Funded Portion	2017 Net debt balance	2016 Net debt balance
Mortgages payable to CMHC (NHA Old Section 79 debt), repayable in monthly or quarterly installments, maturing from 2021 to 2037 at interest rates from 9.5% to 19.75% (2016 - 9.5% to 19.75%).	\$ 57,298	\$ (57,298)	\$ -	\$ -
Mortgages payable to CMHC (NHA New Section 79 debt), repayable in monthly or quarterly installments, maturing from 2019 to 2020 at interest rates from 4.45% to 6.03% (2016 - 4.45% to 6.03%).	1,187	(1,187)	-	-
Loans payable to CMHC, repayable in annual installments until the year 2032, bearing annual interest of 6.97% (2016 - 6.97%). The loans are guaranteed by the Government of Nunavut.	22,545	(12,525)	10,020	11,394
Loans payable to CMHC, assumed from Inuit Non-Profit Housing Corporation in 2017, repayable in monthly installments, maturing from 2019 to 2028 at interest rates from 2.04% to 10.375%.	300	-	300	-
	<u>\$ 81,330</u>	<u>\$ (71,010)</u>	<u>\$ 10,320</u>	<u>\$ 11,394</u>

**NUNAVUT HOUSING CORPORATION**  
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**9. 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.

During the year, the Corporation acquired 10 housing units at an estimated cost of \$225 thousand and assumed related mortgages in the amount of \$344 thousand from the Inuit Non-Profit Housing Corporation. In addition to the housing units, the Corporation is also to receive a reserve fund in the amount of \$397 thousand to be used for operations and maintenance of the units. This transfer resulted in a gain of \$278 thousand which is included in other revenue and recoveries on the consolidated statement of operations and accumulated surplus.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,153	\$ 731	\$ 1,884
2019	797	651	1,448
2020	802	596	1,398
2021	682	539	1,221
2022	712	492	1,204
2023 and beyond	<u>6,174</u>	<u>1,930</u>	<u>8,104</u>
	<u>\$ 10,320</u>	<u>\$ 4,939</u>	<u>\$ 15,259</u>

**NUNAVUT HOUSING CORPORATION**  
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**10. CAPITAL LEASE OBLIGATION**

The Nunavut Housing Corporation is committed to 4 lease agreements (2016- 4) for housing units that support the Public Housing, and Staff Housing Programs. These lease agreements are based on implicit interest rates varying from 4.85% to 6.84% (2016 - 4.85% to 6.84%) and have expiry dates ranging from 2018 to 2026. The lease payments may be renegotiated every five years for changes in specific operating costs such as interest rates and cost of utilities. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	Future minimum lease payments	Executory Costs	Imputed Interest	Lease Obligation
2018	\$ 630	\$ 36	\$ 155	\$ 439
2019	525	12	129	384
2020	525	12	106	407
2021	525	12	81	432
2022	525	12	54	459
2023 to 2026	<u>769</u>	<u>13</u>	<u>43</u>	<u>713</u>
Total	<u>\$ 3,499</u>	<u>\$ 97</u>	<u>\$ 568</u>	<u>\$ 2,834</u>

Interest expense related to capital lease obligations for the year was \$181 (2016 - \$206)

**11. EMPLOYEE FUTURE BENEFITS AND PENSION PLANS**

**(a) Pension plans**

**(i) Public service pension plan**

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 1.01 times (2016 - 1.15 times) for existing employees and 1.00 times (2016 - 1.11 times) for new members entering into the plan on or after January 1, 2013. Total employer contributions of \$1,069 (2016 - \$1,050) were recognized as expense in the current year.

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

	<u>2017</u>	<u>2016</u>
Employer's contribution	\$ 1,069	\$ 1,050
Employees' contribution	966	834

**NUNAVUT HOUSING CORPORATION**  
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**11. EMPLOYEE FUTURE BENEFITS AND PENSION PLANS (continued)**

(ii) Northern Employee Benefits Services (NEBS) pension plan

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

Participating members in the NEBS Plan are required to make contributions to the plan of 8% (2016 - 8%) of pensionable earnings, and to remit employee contributions of 8% (2016 - 8%). These contributions cover current service costs and a provision for adverse deviation.

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

	2017	2016
Employer's contribution	\$ 1,205	\$ 988
Employees' contribution	1,205	988

As at January 1, 2017, the NEBS Plan had a going concern surplus of \$18.5 million (2016 - \$12.5 million) and a funded ratio of 111% (2016 - 109%). The NEBS Plan serves 2,600 employee members and 99 participating employers.

**(b) 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 and final pay. The benefits are paid upon resignation, retirement or death of an employee. In addition to these benefits, employees can earn non-vesting accumulating sick leave benefits. With the exception of the employee future benefits earned by LHO's employees, all employee future benefit liabilities have been actuarially determined as at March 31, 2017 using the Government of Nunavut's assumptions and best estimates. As for LHOs employee benefits, they have been determined based on management's best estimates. The estimated liabilities and related expenses for these benefits are recorded as employees earn them.

	2017	2016
Accrued benefit obligation, beginning of the year	\$ 1,599	\$ 1,848
Net change for the year (net of benefits paid)	(37)	(249)
Total resignation, retirement & removal benefits	1,562	1,599
Sick leave liability	918	368
Total employee future benefits	\$ 2,480	\$ 1,967

**NUNAVUT HOUSING CORPORATION**  
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**12. CONDOMINIUMS HELD FOR RESALE**

In 2016-17 the Corporation acquired 62 residential units in Iqaluit with the intention of selling the units to Government of Nunavut staff through the Staff Condominium program. Due to the timing of the purchase, condominium corporations had not been established prior to the end of the year and the housing units were not yet available for sale.

**13. FINANCIAL RISK MANAGEMENT**

The Corporation is exposed to certain risks as a result of holding financial instruments. There has been no change to the level of risk compared to prior year and no change in the methods and practices used to manage these risks. The following risks have no significant impact on the Corporation's financial statements.

**(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:

	<u>2017</u>	<u>2016</u>
Cash	\$ 52,170	\$ 22,889
Accounts receivable	7,522	11,725
Portfolio investments	116,709	111,427
Mortgages receivable	3,231	3,287
Direct financing lease receivable	<u>272</u>	<u>292</u>
Total financial assets	179,904	149,620
Loan guarantees to CMHC related to sponsor groups	<u>1,041</u>	<u>1,615</u>
Total	<u>\$ 180,945</u>	<u>\$ 151,235</u>

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 15.

**NUNAVUT HOUSING CORPORATION**  
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**13. FINANCIAL RISK MANAGEMENT (continued)**

Accounts receivable consists primarily of amounts due from GN, CMHC and the federal government, which in aggregate represent 30% (2016 - 62%) 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 accounts 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:

	<u>Tenant</u>	<u>Trade &amp; Other</u>	<u>Total 2017</u>	<u>Total 2016</u>
Balance, beginning of the year	\$ 28,713	\$ 1,643	\$ 30,356	\$ 28,356
Increase/(decrease) in the allowance account	<u>(196)</u>	<u>58</u>	<u>(138)</u>	<u>2,000</u>
	<u>\$ 28,517</u>	<u>\$ 1,701</u>	<u>\$ 30,218</u>	<u>\$ 30,356</u>

The aging analysis of tenant accounts receivable is as follows:

	<u>Current</u>	<u>Past due 31 - 90 days</u>	<u>Past due &gt; 90 days</u>	<u>Total 2017</u>	<u>Total 2016</u>
Tenant receivables	\$ 913	\$ 964	\$ 28,602	\$ 30,479	\$ 30,645
Less: Allowance	<u>-</u>	<u>-</u>	<u>(28,517)</u>	<u>(28,517)</u>	<u>(28,713)</u>
Total tenant receivables	<u>\$ 913</u>	<u>\$ 964</u>	<u>\$ 85</u>	<u>\$ 1,962</u>	<u>\$ 1,932</u>

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.



**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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(in thousands of dollars)

**13. FINANCIAL RISK MANAGEMENT (continued)**

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

**(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 portfolio 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 short term financial obligations. To manage liquidity risk, the Corporation maintains adequate cash balances and invests in money market instruments. These instruments are readily convertible into known amounts of cash.

A maturity analysis of the Corporation's financial liabilities as at March 31, 2017 is as follows (the contractual cash flows reported are undiscounted and include principal payments and finance charges):

	<b><u>Contractual Cash Flows</u></b>					
	<u>Carrying Amount</u>	<u>2018 Estimated</u>	<u>2019 to 2022</u>	<u>2023 to 2033</u>	<u>Total 2017</u>	<u>Total 2016</u>
Long term debt	\$ 10,320	\$ 1,884	\$ 5,271	\$ 8,104	\$ 15,259	\$ 17,013
Accounts payable and accrued liabilities	51,511	51,511	-	-	51,511	44,912
Security deposits	788	788	-	-	788	712
Capital lease obligations	2,834	630	2,100	769	3,499	4,138
	<u>\$ 65,453</u>	<u>\$ 54,813</u>	<u>\$ 7,371</u>	<u>\$ 8,873</u>	<u>\$ 71,057</u>	<u>\$ 66,775</u>

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
MARCH 31, 2017  
(in thousands of dollars)

**14. TRANSFERS FROM CANADA MORTGAGE AND HOUSING CORPORATION**

	2017	2016
Contributions for social housing including interest expense	\$ 16,390	\$ 17,361
Repairs, maintenance, grants and other costs	11,826	50,683
Total transfers from CMHC	\$ 28,216	\$ 68,044

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.

**15. CONTINGENCIES**

**Financial guarantees**

Under the terms of the Social Housing Agreement with CMHC as described in Notes 9 and 14, 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 \$1,041 as at March 31, 2017 (2016 - \$1,615).

**Environmental contingencies**

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

**NUNAVUT HOUSING CORPORATION**  
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**15. CONTINGENCIES (continued)**

**Legal claims**

In the normal course of operations, the Corporation could become party to future claims and legal proceedings. Management is of the opinion that adequate provisions have been made for any disbursements that could stem from future legal decisions and that while the outcome and extent of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material financial impact on the Corporation's financial position, results of operations or its cash flows.

**16. CONTRACTUAL OBLIGATIONS**

The Corporation leases staff and public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. The basic rental payments are as follows:

2018	\$ 34,546
2019	26,718
2020	9,048
2021	2,088
2022	1,756
2023 and thereafter	<u>2,256</u>
	<u>\$ 76,412</u>

The Corporation has contracted the construction of new housing units with an obligation of \$51,501 with the completion dates up to October 2018.

The Corporation has contracted modernization and improvements of existing housing units with an obligation of \$1,664 with expected completion in the 2017-2018 fiscal year.

The Corporation has committed to provide homeowners with grants related to homeownership programs with an obligation of \$3,219 with expected disbursement in the 2017-2018 fiscal year.

The Corporation has outstanding contracts for the provision of goods and services related to administration with an obligation of \$200 with expected disbursement in the 2017-2018 fiscal year.

The Corporation has signed land leases for various lots throughout Nunavut which are for 30 years with an annual commitment of \$703 in addition to the amount stated for the above leases.

**NUNAVUT HOUSING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**17. RELATED PARTY TRANSACTIONS**

The Corporation and LHOs are 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:

	<u>2017</u>	<u>2016</u>
Office accommodations	\$ 1,050	\$ 1,027
Professional Services	662	458
Employee Benefits	<u>93</u>	<u>95</u>
	<u>\$ 1,805</u>	<u>\$ 1,580</u>

**18. SUBSEQUENT EVENTS**

Subsequent to year-end, the Corporation committed \$5 million to remediate units affected by mold in five communities. The Corporation is in the process of assessing the remediation costs of units affected by mold in other communities.

**19. COMPARATIVE INFORMATION**

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

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED SCHEDULE OF OTHER REVENUE AND RECOVERIES**  
 FOR THE YEAR ENDED MARCH 31, 2017  
 (in thousands of dollars)

	Actual 2017	Actual 2016
<b>Other revenue and recoveries</b>		
Mortgage subsidy (loss)	\$ (1)	\$ (5)
Other revenue	3,298	2,765
Investment revenue	2,060	1,796
Homeowner's assistance recovery	177	432
Mortgage interest revenue	130	103
Impaired mortgage recovery	<u>501</u>	<u>2,248</u>
<b>Total other revenue and recoveries</b>	<u>\$ 6,165</u>	<u>\$ 7,339</u>

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED SCHEDULE OF EXPENSES BY TYPE**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
(in thousands of dollars)

	<u>Social housing program</u>	<u>Staff housing program</u>	<u>Corporate administration</u>	<u>Total 2017</u>	<u>Budget 2017</u>	<u>Total 2016</u>
<b>Expenses</b>						
Agency fees	\$ -	\$ 1,232	\$ -	\$ 1,232	\$ 1,263	\$ 1,139
Amortization	30,659	3,608	-	34,267	38,244	34,139
Bad debt	2,206	-	-	2,206	2,037	1,747
Compensation and benefits	-	1,745	14,674	16,419	15,048	14,428
Computer services	-	-	364	364	439	413
Demand and preventative maintenance - salaries	24,715	-	-	24,715	22,807	23,077
Demand and preventative maintenance - other	7,260	3,680	-	10,940	11,150	10,090
Interest on long term debt	814	172	-	986	988	1,088
LHO administration - salaries	10,085	-	-	10,085	12,081	9,557
LHO administration - other	2,676	-	-	2,676	3,129	2,847
Leasing	7,279	37,284	-	44,563	47,530	43,119
Loss on disposal of capital assets	360	666	-	1,026	-	293
Materials supplies and other	-	253	184	437	152	418
Office accommodations	-	-	1,326	1,326	1,184	1,287
Miscellaneous	-	-	1,069	1,069	86	990
Professional and special services	-	3	2,411	2,414	1,716	2,699
Repairs for modernization and improvements	8,487	16	-	8,503	10,112	7,525
Sponsor groups	105	-	-	105	516	297
Travel and training	-	108	2,170	2,278	2,187	2,095
Utilities, taxes and land leases	98,382	6,598	-	104,980	108,986	105,309
Land titles and fees	-	-	59	59	108	58
Communications	-	-	127	127	226	177
Building and equipment rental	-	-	108	108	63	143
<b>Total expenses</b>	<u>\$ 193,028</u>	<u>\$ 55,365</u>	<u>\$ 22,492</u>	<u>\$ 270,885</u>	<u>\$ 280,052</u>	<u>\$ 262,935</u>

**NUNAVUT HOUSING CORPORATION**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
 FOR THE YEAR ENDED MARCH 31, 2017  
 (in thousands of dollars)

	<u>Social Housing</u>	<u>Staff Housing</u>	<u>Lease To Purchase</u>	<u>Capital Lease Cost</u>	<u>Warehouses &amp; Offices</u>	<u>Equipment &amp; Leaseholds</u>	<u>Land</u>	<u>Equity Land Lease</u>	<u>Total 2017</u>	<u>Total 2016</u>
<b>Cost</b>										
Balance, opening	\$ 970,336	\$ 85,802	\$ 450	\$ 6,763	\$ 21,343	\$ 3,152	\$ 327	\$ 7,306	\$ 1,095,479	\$ 995,955
Transfer from Construction in Process	24,881	7,718	-	-	337	-	-	620	33,556	98,770
Additions	1,977	301	-	-	-	225	-	-	2,503	1,609
Disposals	-	-	(308)	-	-	-	-	-	(308)	(183)
Write-downs	(863)	(1,296)	-	-	-	-	-	-	(2,159)	(672)
Balance, closing	<u>996,331</u>	<u>92,525</u>	<u>142</u>	<u>6,763</u>	<u>21,680</u>	<u>3,377</u>	<u>327</u>	<u>7,926</u>	<u>1,129,071</u>	<u>1,095,479</u>
<b>Accumulated Amortization</b>										
Balance, opening	\$ 405,667	\$ 26,986	\$ 294	\$ 4,521	\$ 10,025	\$ 2,395	\$ -	\$ 924	\$ 450,812	\$ 417,075
Amortization	29,562	3,308	2	352	583	196	-	264	34,267	34,139
Accumulated amortization related to disposals	(575)	(630)	(201)	-	-	-	-	-	(1,406)	(143)
Adjustments to amortization	-	-	-	-	-	-	-	-	-	(259)
Balance, closing	<u>434,654</u>	<u>29,664</u>	<u>95</u>	<u>4,873</u>	<u>10,608</u>	<u>2,591</u>	<u>-</u>	<u>1,188</u>	<u>483,673</u>	<u>450,812</u>
<b>Work in progress</b>										
Balance, opening	14,606	105	-	-	203	-	-	-	14,914	52,644
Additions	19,871	13,582	-	-	698	-	-	620	34,771	61,040
Transferred to cost of tangible capital assets	(24,881)	(7,718)	-	-	(337)	-	-	(620)	(33,556)	(98,770)
Balance, closing	<u>9,596</u>	<u>5,969</u>	<u>-</u>	<u>-</u>	<u>564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,129</u>	<u>14,914</u>
<b>Net Book Value</b>	<u>\$ 571,273</u>	<u>\$ 68,830</u>	<u>\$ 47</u>	<u>\$ 1,890</u>	<u>\$ 11,636</u>	<u>\$ 786</u>	<u>\$ 327</u>	<u>\$ 6,738</u>	<u>\$ 661,527</u>	<u>\$ 659,581</u>
Estimated useful life	20 years	20 years	20 years	Lease Term	20 years	5 years	-	Lease Term		

**NUNAVUT HOUSING CORPORATION**  
**RECONCILIATION OF MAIN ESTIMATES TO PSAS ADJUSTED BUDGET**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Government of Nunavut		
Approved Main Estimates	\$ 196,177	\$ 183,856
Supplementary appropriations	\$ -	11,061
Government of Nunavut capital budget	38,060	30,072
Services without charge	<u>2,300</u>	<u>2,300</u>
	<u>40,360</u>	<u>43,433</u>
Contribution from the Government of Nunavut	236,537	227,289
Canada Mortgage and Housing Corporation (CMHC)		
CMHC contribution	28,744	29,849
CMHC capital budget	10,925	41,057
CMHC portion of debt repayment	<u>(12,125)</u>	<u>(12,467)</u>
	<u>(1,200)</u>	<u>28,590</u>
Contribution from CMHC	27,544	58,439
Generated revenues	<u>16,357</u>	<u>18,341</u>
Total PSAS adjusted revenues budget	280,438	304,069
<b>Expenditures</b>		
Social housing		
Approved Main Estimates	170,593	164,040
Supplementary appropriation	-	4,376
Operating portion of capital budget	9,782	9,361
Amortization expense	32,699	33,071
Debt repayment	(13,579)	(13,921)
Rent assessments	<u>2,037</u>	<u>2,037</u>
	201,532	198,964
Staff housing		
Approved Main Estimates	54,221	49,679
Operating portion of capital budget	330	260
Amortization expense	5,545	4,506
Principal portion of debt repayment	<u>(340)</u>	<u>(320)</u>
	59,756	54,125
Corporate administration		
Approved Main Estimates	16,464	18,327
Government of Nunavut services without charge	<u>2,300</u>	<u>2,300</u>
	18,764	20,627
Homeownership	4,616	4,616
Homelessness	10	10
Total PSAS adjusted expenditures budget	<u>284,678</u>	<u>278,342</u>
<b>Surplus/(Deficit)</b>	<u>\$ (4,240)</u>	<u>\$ 25,727</u>



**NUNAVUT HOUSING CORPORATION**  
**RELATED PARTY TRANSACTIONS AND BALANCES**  
 FOR THE YEAR ENDED MARCH 31, 2017  
 (in thousands of dollars)

<u>Consolidated Financial Reporting Entity</u>	<u>Asset Balances</u>	<u>Liability Balances</u>	<u>Revenue Balances</u>	<u>Expense Balances</u>
<b>Consolidated Revenue Fund</b>				
Departments				
Community and Government Services	\$ 23	\$ 471	\$ 208	\$ 901
Culture and Heritage	54	-	57	-
Education	3	5	186	-
Executive and Intergovernmental Affairs	132	66	132	-
Family Services	59	-	211	-
Finance (government funding)	-	-	238,299	-
Finance (other)	122	9,114	106	2,834
Health	360	7	949	-
Justice	-	3	41	-
<b>Territorial Corporations</b>				
Qulliq Energy Corporation	16	7,762	21	28,505
<b>Revolving Funds</b>				
Petroleum Products Revolving Fund	23	8,758	-	20,194
<b>Total Related Party Balances</b>	<u>\$ 792</u>	<u>\$ 26,186</u>	<u>\$ 240,210</u>	<u>\$ 52,434</u>