

# Northwest Territories Housing Corporation



## Annual Report 2020-2021

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## Message from the Minister



As Minister Responsible for the Northwest Territories Housing Corporation (NWTHC) I am pleased to release the NWTHC's 2020-2021 Annual Report and to be leading our continued efforts to ensure that every Northwest Territories resident has a safe and affordable place to call home.

2020-2021 was a year like no other for the NWTHC. The COVID-19 pandemic challenged the Housing Corporation, along with its partners, to take unprecedented actions to make sure vital services were still delivered to the people of the NWT.

These actions included approximately \$ 5 million of incremental investment to bring on stream vacant housing units for self-isolation and to support the establishment of new homelessness shelters for the communities of Hay River and Fort Simpson.

The NWTHC worked hard to keep NWT residents appropriately housed through creative and efficient programming, despite operating during a global pandemic. This commitment to stable housing is not something that we tackle alone; only by working in partnership with Indigenous and community governments, NGOs, and the Federal Government were we able make progress towards improving housing outcomes in our territory.

The NWTHC also remains committed to working with our communities to drive economic reinvigoration as we move forward. Housing repairs and construction can make a significant economic impact, especially in small communities, and the NWTHC is committed to working with NWT businesses on the delivery of new housing units and repair projects across the NWT. 2020-2021 marked one of the Corporation's largest annual capital plans and a significant homeownership programming investment, that not only supported those that now live in our units, but also the northern contractors and apprentices who worked on these projects.

Additionally, this year saw one of the most meaningful ever investments in housing in the Northwest Territories by the Federal Government. In March 2021, the Government of Canada allocated \$25.5 million from the Canada Mortgage and Housing Corporation's National Co-Investment Fund to support the delivery of new public housing units for the territory. In the coming years this delivery will mean a significant increase in housing options for people throughout the NWT.

I want to reinforce my commitment to working hard to ensure that the NWTHC is able to meet the housing needs of the people of the Northwest Territories.

Thank you.

A handwritten signature in black ink, appearing to read 'P. Chinna', written in a cursive style.

Honourable Paulie Chinna  
Minister



## Message from the President and CEO



As President and CEO of the Northwest Territories Housing Corporation, I am pleased to release our 2020-21 Annual Report. The COVID-19 pandemic made 2020-21 different from any other year in the NWT HC's history. For the NWT HC, the focus was on keeping people in their homes and keeping safe and affordable housing a priority for this government, during and after the pandemic. Our staff, like many employees across Canada, continued to work from home to keep programs running and people informed.

We are grateful to have wonderful partners in local and indigenous governments to work with. Together we were able to continue the good work we have been doing to improve housing outcomes for the residents of the Northwest Territories.

During the pandemic we continued to work together on Community Housing Plans. There was significant progress on these plans, and our goal is that each community will eventually have one. The plans are created by the NWT HC working in close partnership with individual communities, their governments, local leadership, and residents. The plans will contain housing solutions tailored to the community, its unique circumstances, and preferences.

In addition, despite the added challenges brought on by the COVID-19 pandemic, the Corporation was able to work with community leadership and our many local and northern contractors to complete the construction of 22 public housing units for the communities of Behchokò (2), Délı̄ne (6), Fort Good Hope (9) and Hay River (5). Added to this new unit delivery in 2020-2021 was three (3) Tuktoyaktuk public housing units constructed by the Inuvialuit Regional Corporation under a partnership agreement with the NWT HC. The Corporation's 2020-2021 housing project delivery also included a significant number of unit repairs. This added investment supported the completion of 134 modernization and improvement (M&I) unit repairs during the year, including 87 internally funded unit repair projects that were added during the year to bring into service additional vacant housing units for COVID-19 self-isolation and to reduce overcrowding situations.

I very much look forward to building on the successes from this past year and continuing to work closely with our Indigenous Government and Community partners to improve housing conditions for our residents.

A handwritten signature in blue ink that reads "Eleanor Young." The signature is written in a cursive style with a large initial 'E' and a stylized 'Y'.

Eleanor Young  
President & CEO,  
Northwest Territories Housing Corporation

# Corporate Profile

## Mission Statement

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

## Goals:

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

## **Corporate Structure**

### **Corporate Summary**

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

### **Branches:**

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

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

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



**Finance and Infrastructure Services** - The Finance and Infrastructure Services Branch is comprised of the Finance and Administration Division, Financial Planning Section, the Infrastructures Services Division and the Occupational Health and Safety (OH&S) Section.

**Finance and Administration Division** - The Finance and Administration Division is responsible for the overall financial affairs of the NWT HC. This includes the provision of accounting and advisory services, reporting and monitoring, treasury services, mortgage administration and the management of own source revenues and federal funding. The Financial Planning Section leads the development of the infrastructure, revenues and operating budgets for the NWT HC, including the annual business plan and main estimates, and on-going variance analysis and reporting.

**Infrastructure Services Division** - The Infrastructure Services Division is responsible for planning, designing and coordinating the delivery of the NWT HC's capital infrastructure projects, advising on and supporting homeownership project delivery, securing suitable land for the delivery of housing programs and services and the overall maintenance management of the NWT HC's housing portfolio.

**Occupational Health and Safety Section** - The Occupational Health and Safety Section is responsible for the corporate wide delivery and on-going modernization of the NWT HC's Occupational Health and Safety Program working closely with headquarters, all District Offices and Local Housing Organizations.

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

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

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

**North Slave District Office:**

This District Office supports the communities of Behchokò, Dettah/N'dilo, Gamètì, Łutselk'e, Wekweètì, Whatì and Yellowknife.

**South Slave District Office:**

This District Office supports the communities of Enterprise, Hay River, Kát'odeeche First Nation, Kakisa, Fort Providence, Fort Resolution and Fort Smith.

**Nahendeh District Office:**

This District Office supports the communities of Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Samba K'e and Wrigley.

**Sahtú District Office:**

This District Office supports the communities of Colville Lake, Délne, Fort Good Hope, Norman Wells and Tulít'a.

**Beaufort-Delta District Office:**

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

**Local Housing Organizations (LHOs)** - The NWT HC, in partnership with 23 LHOs and community organizations, administers approximately 2,400 social housing units in 31 communities across the NWT. The LHOs, under agreement with the NWT HC, provide property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. Each LHO has an advisory board that oversees their operations. The NWT HC's district offices are responsible for these operations in communities where an LHO has not been established.

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

The following is a list of all LHOs and Indigenous Governments that support the delivery of the NWT HC's programs and services via a Housing Division:

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<b><u>Community</u></b>	<b><u>Local Housing Organization</u></b>
Aklavik	Aklavik Housing Association
Behchokò	Behchokò Ko Gha K'àodèe
Colville Lake	NWTHC Sahtú District Office
Déljne	Déljne Housing Association
Dettah/N'Dilo	Yellowknives Dene Band Housing Division
Enterprise	NWTHC South Slave District Office
Fort Good Hope	Radilih Koe Housing Association
Fort Liard	Liard Housing Authority
Fort McPherson	Fort McPherson Housing Association
Fort Providence	Fort Providence Housing Association
Fort Resolution	Fort Resolution Housing Authority
Fort Simpson	Fort Simpson Housing Authority
Fort Smith	Fort Smith Housing Authority
Gamèti	Gamèti Housing Authority
Hay River	Hay River Housing Authority
Inuvik	Inuvik Housing Authority
Jean Marie River	Fort Simpson Housing Authority
Kakisa	NWTHC South Slave District Office
Kát'odeeche First Nation	Kát'odeeche First Nation
Łutselk'e	Łutselk'e Housing Authority
Nahanni Butte	Fort Simpson Housing Authority
Norman Wells	Norman Wells Housing Authority
Paulatuk	Paulatuk Housing Association
Sachs Harbour	Sachs Harbour Housing Association
Sambaa K'e	Fort Simpson Housing Authority
Tsiigehtchic	Tsiigehtchic Housing Association
Tuktoyaktuk	Tuktoyaktuk Housing Association
Tulít'a	Tulít'a Housing Association
Ulukhaktok	Ulukhaktok Housing Association
Wekweètì	NWTHC North Slave District Office
Whatì	Whatì Housing Authority
Wrigley	Fort Simpson Housing Authority
Yellowknife	Yellowknife Housing Authority

# NWTHC Programs

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

## **Rental Programs**

### **Public Housing**

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

### **Homeownership Entry Level Program**

The NWTHC provides rental housing throughout the NWT through the delivery of the Homeownership Entry Level Program (HELP) and the Market Housing Program. In 2020-21 the NWTHC had approximately 220 units in the HELP program and approximately 210 units in the Market Housing Program. The HELP Program assists prospective first-time home buyers who are not able to secure mortgage financing or are unsure of their responsibilities as homeowners, by providing the opportunity to rent units from the NWTHC at affordable standardized rents based on geographic zones. Tenants are responsible for the payment of utilities. The program also offers homeownership educational opportunities through Solutions to Educate People (STEP) courses.

### **Market Housing Program**

A lack of market housing options in small communities has been a key challenge in delivering GNWT programs and services, especially in the case of frontline workers like teachers and nurses. In order to support non-market communities, the NWT HC operates approximately 210 units under the Market Housing Program. Under the program, the NWT HC provides rental housing units at market rental rates intended to increase the availability of housing in smaller communities for community workers

### **Transitional Rent Supplement Program**

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

### **Homeownership Programs**

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

The simplified structure of the homeownership programs offers flexible delivery options to NWT residents, and also meets the needs of seniors and those with accessibility challenges. These programs use education and counselling to help residents become successful homeowners. Recently, program application intake changed to a year-round intake to better provide timely supports to residents in need. These one-on-one discussions between residents and staff of the NWT HC are necessary in order to explore program requirements, help individuals in identifying their housing needs and to determine which program will best fit an individual's or a household's needs.

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

- Solutions To Educate People (STEP)
- Providing Assistance for Territorial Homeownership (PATH)
- Contributing Assistance for Repairs & Enhancements (CARE)



- Contributing Assistance for Repairs & Enhancements - Mobility (CARE Mobility)
- Contributing Assistance for Repairs & Enhancements - Preventative Maintenance (CAREPM)
- Securing Assistance For Emergencies (SAFE)
- Seniors Aging in Place
- Fuel Tank Replacement Initiative
- Community Housing Support Initiative

### **STEP – Educational Programs**

STEP provides education and counseling assistance consisting of four courses designed to prepare participants for the responsibilities of homeownership. STEP aims to increase homeownership applicants' financial skills, as well as their knowledge of the home purchase process, basic home maintenance and repairs. STEP courses are not only offered to NWT HC applicants and clients, but also to NWT residents at large. Although priority is given to applicants/clients, space permitting, residents are encouraged to sign up for the courses through their District Offices.

### **PATH – Homeownership Assistance**

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

**CARE – Major Repairs**

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

**CARE Mobility – Accessibility Repairs**

CARE Mobility assists low-income homeowners with disabilities by providing up to \$100,000 to carry out modifications to their home to improve accessibility and support independent living. Modifications must be directly related to the disability of the homeowner or a family member residing in the unit. Such modifications may include:

- The construction of wheelchair access ramps;
- The installation of grab bars in bathrooms; and
- Creating better access to bathtubs, showers, and the kitchen

**CARE PM – Minor Repairs**

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

**SAFE – Emergency Repairs**

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

## **Seniors Aging in Place**

The Seniors Aging-In-Place Retrofit Program provides a forgivable loan (over one year) to lower energy costs or for repairs so that seniors who own their homes can continue to live in their homes safely. Assistance of up to \$10,000 per fiscal year is available to assist seniors with energy efficient repairs/upgrades to their homes to make them less expensive to operate and more comfortable to live in so that they can live independently for as long as possible in their communities. In order to be eligible for this program you must be resident and homeowner of the Northwest Territories who is 60 years old, or older, and who has an income below the current Core Need Income Thresholds (CNITs) as posted on the NWT HC's website.

## **Fuel Tank Replacement Initiative**

Assistance of up to \$10,000 per lifetime is available to existing homeowners to upgrade their aging above-ground fuel tanks. In order to be eligible for this program, household income must be below CNIT.

## **Partnerships**

### **Community Housing Support Program**

The NWT HC continues to offer the Community Housing Support Program (CHSP) to provide funding to municipalities or other community corporate bodies for community-based housing projects that contribute to the delivery of affordable housing for families, seniors and single member households.

### **NWT HC Homelessness Programs**

The NWT HC supports the Minister Responsible for Homelessness, monitoring and taking inventory of the numerous homelessness interventions taken across GNWT departments. The NWT HC also delivers its own homelessness programming, which includes capital support for shelters, fostering small community homelessness solutions and working with GNWT case managers and referral agents to help prevent homelessness.

### **SEF (Shelter Enhancement Fund)**

Recognizing that shelters often struggle to find resources for repairs, renovation or important equipment purchases, the NWT HC created the Shelter Enhancement Fund. This

ongoing fund provides one-time funding for repairs and capital purchases based on proposals by shelter proponents. This fund supports shelters to maintain health and safety standards as well as to purchase important equipment and supplies to continue their operations.

### **Rapid Rehousing Pilot Program**

The Rapid Rehousing Program pilot builds on the experience of Non-Governmental Organizations (NGOs) using their effectiveness in case management and expertise in program referral. The NWT HC partners with NGOs through a flexible contribution that allows the NGOs to help, in whatever manner they determine is appropriate, provide housing stability to the individuals they serve in their organizations.

Under the Rapid Rehousing approach, the focus is to assist people (both individuals and families) who are experiencing homelessness to quickly access and maintain market housing through the provision of rental assistance and programming.

### **Emergency Overnight Shelters**

The NWT HC provides NWT emergency overnight shelters funding to assist shelter providers with the cost of rent and food to temporarily house people in need. There are eight emergency overnight shelters supported by the NWT HC: three in Yellowknife, two in Inuvik, one in Fort Simpson, one in Hay River, and one with the Salt River First Nation.

### **SCHF (Small Community Homelessness Fund)**

Communities are often best placed to identify solutions to address homelessness or assist homeless people. Sometimes these supports can come in the form of food security initiatives such as soup kitchens, food vouchers or food hampers. Sometimes communities want support to conduct their own planning to address homelessness. The Small Community Homelessness Fund, in its flexible funding design, allows for communities to implement their own homelessness initiatives.

### **HAF (Homelessness Assistance Fund)**

The Homelessness Assistance Fund works cooperatively with GNWT case managers and referral agents to support homeless residents access housing, prevent tenants from being evicted or provide assistance for residents to return to more stable housing situations in their home community.

**Housing First**

The NWT HC provides an ongoing contribution to support the sustainability of the Housing First program in Yellowknife. The Housing First philosophy involves taking a two-fold approach to addressing homelessness: opportunities for independent rental housing and the provision of wrap around supports to address underlying homelessness factors.

**Northern Pathways to Housing**

To address homelessness in small communities outside of Yellowknife, NWT HC has developed the Northern Pathways to Housing, a Supportive Housing Program for single adults experiencing housing stability. The goal of the program is to stabilize individuals with housing and work with communities to develop wrap around systems of support to encourage integration of individuals into the community. To date, the NWT HC is supporting four northern pathway projects in Aklavik, Fort Simpson, Behchokò and Fort Good Hope.

# NWTHC Program Delivery in a Snapshot

## Homeownership Programs

The following charts report the program approvals as a breakdown by regional basis and territorial wide, then follows with amount of approved applications for homeownership programs offered through the NWTHC.

### Beaufort-Delta District

<u>Program</u>	<u>Number of Programs</u>
CARE Major	4
CARE PM	49
CARE Mobility	1
Fuel Tank Replacement	4
HELP	0
PATH	0
SAFE	33
Seniors Aging in Place	26
Total	117



**Nahendeh District**

<b><u>Program</u></b>	<b><u>Number of Programs</u></b>
CARE Major	0
CARE PM	6
CARE Mobility	0
Fuel Tank Replacement	0
HELP	3
PATH	0
SAFE	13
Seniors Aging in Place	3
Total	25

**North Slave District**

<b><u>Program</u></b>	<b><u>Number of Programs</u></b>
CARE Major	4
CARE PM	114
CARE Mobility	1
Fuel Tank Replacement	15
HELP	1
PATH	2
SAFE	76
Seniors Aging in Place	39
Total	252

**Sahtú District**

<b><u>Program</u></b>	<b><u>Number of Programs</u></b>
CARE Major	0
CARE PM	50
CARE Mobility	1
Fuel Tank Replacement	6
HELP	1
PATH	2
SAFE	37
Seniors Aging in Place	21
Total	118

**South Slave District**

<b><u>Program</u></b>	<b><u>Number of Programs</u></b>
CARE Major	5
CARE PM	89
CARE Mobility	5
Fuel Tank Replacement	8
HELP	2
PATH	2
SAFE	61
Seniors Aging in Place	12
Total	184

**Total NWT**

<b><u>Program</u></b>	<b><u>Number of Programs</u></b>
CARE Major	13
CARE PM	308
CARE Mobility	8
Fuel Tank Replacement	33
HELP	7
PATH	6
SAFE	220
Seniors Aging in Place	101
Total	696

**Public Housing Program**

Expenditures for the Public Housing Program in 2020-2021 totaled approximately \$63 million. Public Housing refers to public programs that provide income-based subsidies for the rental of housing for residents in need.

The NWTHC provides financial, administrative, maintenance, construction, and repair support to community partners so they can deliver Public Housing on behalf of the NWTHC. The NWTHC has signed Partnership Agreements with LHOs to manage the Public Housing portfolio.

The Partnership Agreements between LHOs and the NWTHC cover the areas of financial administration, tenant relations and operations and maintenance of Public Housing in the NWT. Currently the NWTHC operates approximately 2,400 Public Housing units located in 31 communities throughout the NWT, which are managed by LHOs and community service agents.

## NWTHC Division Profile - Programs

The NWTHC's head office in Yellowknife houses the Programs Division. A small group, just four employees, are responsible for the development of housing programs for the territory. Employees Ioan Astle and Terry Fisher, Managers of Housing Programs and District Operations, are joined by Jerry Vanhantsaeme and Floyd Powder, both Program Development Specialists.

Ioan has worked at NWTHC since 1994 and Terry since 2003. In addition to developing housing programs, the division also oversees operations in the five district offices across the Northwest Territories and provides guidance when needed, which means helping the district offices understand the policies and work with clients. The districts oversee the Local Housing Organization's (LHOs) operations in the communities.

The Programs division is very busy, with a lot of responsibilities, including the design, implementation and delivery of the housing programs. Programs division also does rent assessment, database maintenance, and file reviews and refers cases for legal advice, when necessary. They review electronic monitoring of programs for compliance, making sure applications meet all the requirements.

The Programs division also receives orders from the rental officer regarding evictions. If an eviction is approved, they work with the Sheriff's Office and LHO to carry it out.

Some of the most popular programs among residents include the fuel tank replacement program, which assists homeowners in covering the costs of replacing aging above-ground fuel tanks through a one-time forgivable loan. The preventative maintenance and seniors aging in place programs have also proven very popular. "There has been a high amount of applications" explains Terry, "And good feedback from clients."

## NWTHC Office Profile – Sahtú District Office

John Kivi has a good handle on the business of the Sahtú District Office. He should: he's another long term NWTHC employee, working there since 2005.

Team Sahtú is close-knit, “like a family,” says John. The office's informal environment matched with its open-door policy established by Director Sarah Baker means everyone generally knows about everything at all times. Thus, any team member can seamlessly pick up where another team member leaves off – a win for those occupying the 237 Public Housing Units throughout the Sahtú and it means there are fewer surprises for the staff (or their tenants).



Such efficiency leaves time for another important NWTHC goal: developing capacity by offering apprenticeships.

Not everything is easy though. Like much of the north, there is a short season in which to receive supplies and a short season the following year in which to do the build. And there is the legendary shortage of capacity, journey-people who can do the work. COVID-19 made this all the more complicated. Contractors had to get letters of clearance to enter the NWT and then could only “exist” between wherever they were being put up and the construction site.

Despite the challenges, John says he looks forward to going to the Sahtú District Office every morning. He respects and likes his colleagues. And he thinks the communities are fabulous. Hands down the favourite aspect of his work is getting to mingle with community residents.

Covering Norman Wells, Fort Good Hope, Tulít'a and Délne, the Sahtú District Office is daily delivering on service standards that represent the NWTHC's commitment to provide efficient and effective service. Our service standards are at the core of how we ensure quality work, the decisions we make and the products we deliver.

## **Local Housing Organization Profile – Hay River Housing Authority**

The Hay River Housing Authority put the boots on the ground to fulfill the NWTHC's Mission to work in partnership with residents, to ensure access to affordable, adequate and suitable housing.

LHOs empower the communities in multiple ways. They facilitate local decision-making; provide opportunities for apprentices; and support employment in communities.

As the Hay River Housing Authority delivers on our various programs, every day is different, but its core tasks are to assess rents; manage the books; take difficult issues through the process of the Rental Officer and provide maintenance services for tenants. The crew of seven maintenance folks are tight-knit and personally dedicated to providing efficient and effective repair work as needed, often working through their lunches.

They had the added benefit of several long-term employees. Willa-Jean very recently retired after almost 30 years and Frank Lafferty, who got his start there, now has 31 years of service behind him! The bottom line is they know the importance of their work: housing humans is no small thing, especially in our sometimes-unforgiving climate.



## NWTHC's COVID Response

In the context of supporting approximately 2,800 units and 5 emergency shelters the eruption of COVID-19 in the spring of 2020 demanded swift and creative ways of fulfilling NWTHC's mandate of *Ensuring a sufficient supply of adequate, suitable and affordable housing to address the housing needs of NWT residents.*

The GNWT announced \$5 million from NWTHC internal resources to support initiatives to lessen housing and homelessness pressures related to COVID-19. Here is how that funding was used by the NWTHC:

Two new overnight shelters were created: one in Hay River in collaboration with the Hay River Committee for Persons with Disabilities (supporting 15 residents) and another opened in the Village of Ft. Simpson in conjunction with the Village of Fort Simpson and the Fort Simpson Interagency Committee. This also supported up to 15 residents.

Several units that were vacant due to needed repairs were fixed up so they could be occupied. 136 such units were identified throughout the entire NWT; of these, only 26 remained vacant as they were simply not viable to repair.

The NWTHC leased 32 units of the Aspen Apartments in Yellowknife from the federal government for a nominal price to provide housing for persons experiencing homelessness that were exhibiting symptoms of COVID-19. This initiative is being operated by the NWT Health and Social Services Authority.

The NWTHC supported the Arnica Inn project in Yellowknife involving 25 units, which provided populations vulnerable to COVID-19 with supportive housing. The Department of Health and Social Services funds this program, which is operated by NGO partner, the Yellowknife Women's Society.

In addition to these material supports, the NWTHC adjusted many of its programs:

It enhanced the Transitional Rent Supplement Program (TRSP) by extending the program to November, streamlining the application process, and simplifying requirements for participants. This program is now helping almost 200 households.

To support physical distancing during this period, the NWTTC offered Public Housing program participants the option to defer rent for a fixed period.

The NWTTC increased the budget for the Homelessness Assistance Fund (HAF) from \$125,000 to \$300,000 to help people find stable housing situations or to remain stably housed. Common uses for HAF include stopping evictions through support for rental arrears or finding rental housing by providing first month's rent or a damage deposit.

A toll-free hotline was established to support residents with emergency housing problems. Finally, individual staff found ways to do their work differently to respect Covid yet keep meeting NWTTC's mission to ensure access to affordable, adequate and suitable housing. The Hay River LHO set up an email transfer system for rents, so tenants did not need to leave their homes to pay rent due. Move-ins/outs continued, following COVID-19 protocols, and rent continued to be collected adhering to social distancing.

The NWTTC looks forward to returning its focus to its core mission and increasing its housing stock in conjunction with various new funding sources from the Federal Government

# Project Profile - Community Housing Support Program

The NWT HC Community Housing Support Program is a new initiative launched by the NWT HC. During 2020-2021 there was great success with the program in Nahanni Butte and the Kátł'odeeche First Nation.

The Community Housing Support Program is a program that supports Indigenous and local governments. The aim of this program is to address historical barriers to housing development. In Nahanni Butte, the funding went towards homeownership repair programs. The \$97,900 in funding helped provide the unique housing needs of the community.

The Kátł'odeeche First Nation also made use of this program. They setup a repair program on the Hay River Reserve and were able to use \$50,000 to make needed repairs to multiple homes.

The program was designed specifically to meet the needs of individual communities and address them through partnership. Working together, the NWT HC and local and indigenous governments are able to provide affordable housing for families, seniors and single member households. The housing provided, in turn, are locally appropriate and community-driven.

NWT communities have an opportunity to design their own programming and choose clients and types of repairs they identify as priority. Some other ways the Community Housing Support Program is delivered include program and policy design, technical expertise, land management, material packages and surplus units where appropriate. This program is intended to leverage other community supports in partnership to address community housing needs.

## Forgiveness

Type of obligation	Community	Amount
HAP	Fort Liard	29,784
Mortgage	Tuktoyaktuk	131,607
Mortgage	Fort Resolution	7,749
Rental Arrears	Aklavik	10,200
Rental Arrears	Behchokò	420,509
Rental Arrears	Dettah	74,028
Rental Arrears	Fort McPherson	58,690
Rental Arrears	Fort Resolution	31,957
Rental Arrears	Fort Simpson	18,343
Rental Arrears	Fort Smith	28,675
Rental Arrears	Hay River	1,829
Rental Arrears	Łutselk'e	7,089
Rental Arrears	Norman Wells	11,584
Rental Arrears	Paulatuk	53,922
Rental Arrears	Tsiigehtchic	1,716
Rental Arrears	Tuktoyaktuk	110,809
Rental Arrears	Tulít'a	9,491
Rental Arrears	Ulukhaktok	27,627
Rental Arrears	Whatì	1,970
Rental Arrears	Yellowknife	84,163
Rental Arrears	YKDFN	13,727
Tenant Damages	Fort Smith	135
Tenant Damages	Yellowknife	1,268
Tenant Damages & Rental Arrears	Tsiigehtchic	40,499
Tenant Damages & Rental Arrears	Yellowknife	1,127
<b>Total</b>		<b>1,178,498</b>

**Appendix A:  
Management Discussion and Analysis  
Fiscal Year 2020-2021**

## Management Discussion and Analysis – Fiscal Year 2020/21

### Managing Risk / Pressures

There are both external and internal pressures and risks that influence how the NWT HC delivers its housing programs and services. In response to these challenges, the NWT HC has employed various mitigation strategies to help manage these risks, to the extent possible.

### CMHC Funding

Base funding for social housing operations from CMHC is scheduled to decline to zero by 2038-39. This funding continues to decline at varying amounts annually, depending on when the housing stock was initially constructed in partnership with the federal government.

10-year bilateral agreement in support of the National Housing Strategy provided an additional nine years (2019/20 – 2027/28) of federal funding in the amount of \$84.1 million will assist the NWT HC in responding to the territory's housing priorities, including helping to mitigate the continued decline in CMHC funding.

Another mitigation strategy that is now being implemented by the NWT HC is the expansion of the market rent program to accommodate RCMP Members stationed in various NWT communities. This initiative will not only increase the availability of affordable, adequate, and suitable market housing but will also contribute additional revenues to help offset CMHC's declining funding.

In March 2021, the NWT HC signed an additional funding agreement with CMHC to allocate \$25.5 million the National Co-investment Fund to support the delivery of up to 60 new public housing units for the territory. These units will be delivered over the course of the next two years.

### Core Need (Quality of Housing and Affordability)

The level of core housing need in the NWT, according to *the 2014 NWT Community Survey*, is 19.8%. To assist in addressing this situation, the NWT HC continues to support capital investments to replace and retrofit older and less energy-efficient housing units. In addition to existing housing stock investment, the NWT HC continues to deliver a wide range of housing programs for private homeowners. For example, the Transitional Rent Supplement Program is utilized to address market rental challenges of the working poor and the Securing Assistance for Emergencies (SAFE) repair program is delivering financial assistance for low to moderate-income households to address their emergency home repairs.



## **Utility Costs**

The NWT HC continues to invest in improving the overall quality and energy-efficiency of its owned housing assets. New construction for the replacement of aging, single detached Public Housing is now primarily multi-unit buildings, resulting in reduced utility costs. For the past number of years, the NWT HC ensured the energy efficiency standards for new construction met, or exceeded, EnerGuide for Housing (EGH) 80 design standards. The NWT HC also continues to invest in energy efficiency technologies, such as biomass and photovoltaic solar systems, to help offset the high cost of energy.

## **Land Development**

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

## **Credit Risk**

The NWT HC is exposed to credit risk from tenants and mortgage clients. Several LHOs have had challenges with collections resulting in accumulated arrears over several years. To assist in the collection process, the NWT HC has collections staff that focus on working with the LHOs and other parties involved in collection matters. The NWT HC's Territorial Housing System (THS) also supports the NWT HC in closely monitoring the status of tenant collections.

Since 2012, the NWT HC has worked with clients to restructure their mortgages with a view to improving overall collections rates. Working with program participants, the NWT HC was able to restructure existing mortgages to assist homeowners in satisfying their mortgage payment obligations.

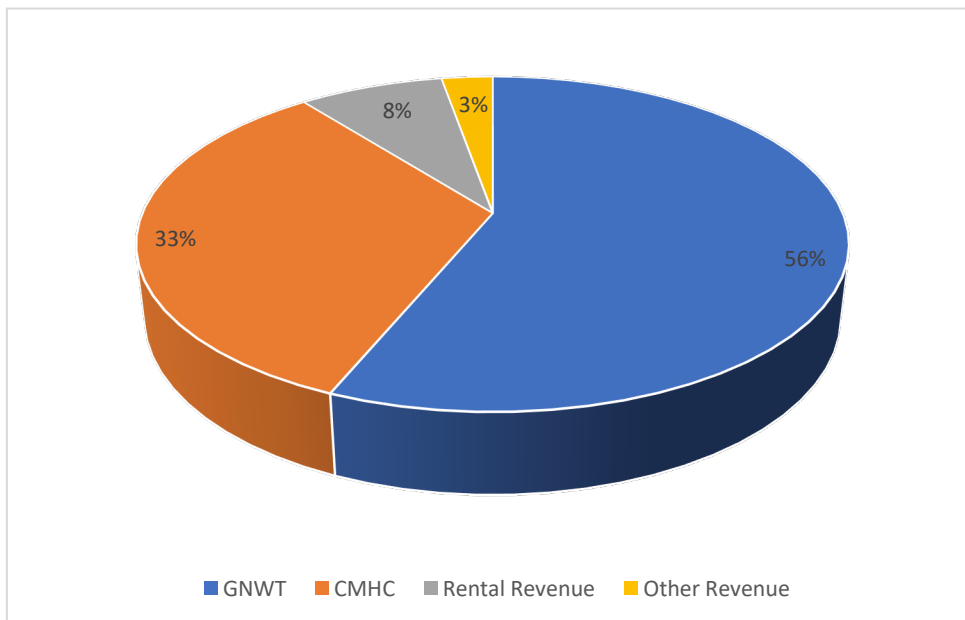
## Financial Results

### Revenues

The total revenues for the Corporation in 2020/21 were \$136.1 million, an increase of \$22.6 million from the previous year's total of \$113.5 million.

Government funding from the GNWT, CMHC and other transfers increased by \$23.3 million, from \$98.9 million to \$122.3 million. This increase was primarily related to an approximate \$25 million increase in funding from the Canada Mortgage and Housing Corporation for the aforementioned up to 60 unit Co-Investment Fund projects.

Revenue generated from operations amounted to \$13.9 million in 2020/21, a decrease of \$0.7 million over the \$14.6 million in revenue generated in 2019/20. This decrease was primarily related to lower income from the Corporation's portfolio investments as the Corporation continues to invest remaining available internal resources for the delivery of housing programs and initiatives in support of the government's mandate.



### Expenses

The Corporation's total expenses for 2020/21 were \$108.4 million, a \$1 million increase over the 2019/20 year's expenses of \$107.4 million. The cost of operating the Public Housing program this past year increased by approximately 2% due to an increase in the number of unit repairs required to bring into service vacant housing units to assist with the government's COVID-19 response. The Public Housing program costs continue to be the largest component of the Corporation's expenses, representing 58.4% of the annual expenses, including amortization.

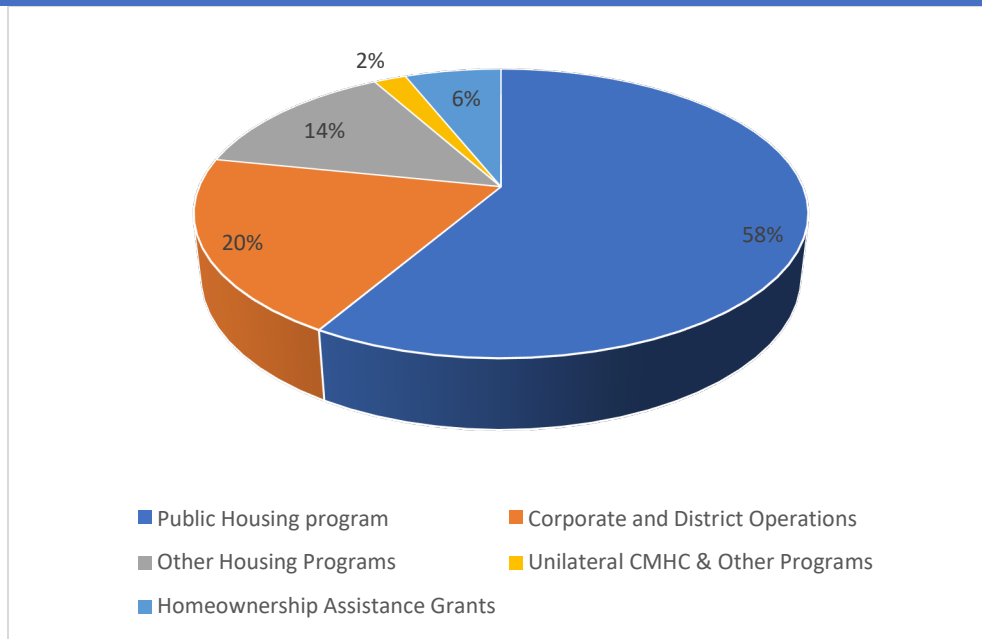
Expenses for the HELP and market housing programs were \$9.2 million in 2020/21 including amortization, a \$0.32 million or 3.37% decrease compared to the \$9.6 million expended in 2019/20. This decrease was primarily attributable to fewer losses related to unit dispositions.

Homeownership assistance grants were \$6.6 million in 2020/21, a decrease of \$0.95 million or 12.7% compared to the previous year's amount of \$7.5 million. This funding provides homeownership grants and contributions to support the delivery of new and the repair of existing homeownership units. The decreased spending in 2020/21 of \$0.95 million was attributable to reduced spending in some application-based programs, such as the Community Housing Support and Seniors Aging in Place.

Homelessness assistance grants were \$3.9 million, an increase of \$0.3 million or 7.6% over previous year's amount of \$3.6 million. This funding provides homelessness grants and contributions. The increase in 2020/21 was primarily due to a \$0.315 million increase in funding for homeless shelter services.

The Corporation incurred \$21.4 million for Housing Operations and Support in 2020/21, an increase of \$0.97 million or 4.7% from the \$20.5 million expended in 2019/20. Costs include program development and delivery and technical and administrative support for both district offices and headquarters. This increase was attributable to a \$0.467 million increase in compensation and benefits expenses associated with higher annual leave accruals as a result of reduced vacation leave during the COVID-19 pandemic, \$0.320 million for other COVID-19 related expenses such as protective equipment and building security costs and \$0.203 million increase in TSC chargebacks for Information Technology support services.

The acquisition or construction of new housing assets and the renovation of existing housing is typically funded by the GNWT, CMHC, and NWT HC's own source revenues. During the year, revenues, including NWT HC generated revenues, exceeded expenses resulting in an annual surplus of \$27.8 million. Annual surpluses support the NWT HC's capital investments and housing programming.



**Financial Position**

The Corporation continued to maintain a sound financial position in 2020/21, with net financial assets of \$96.02 million, a \$21.6 million increase from the \$74.4 million in 2019/20.

The NWTHC recognizes the importance of having its available net financial assets reinvested in a timely manner and has set out a reinvestment plan that will see these available resources utilized to complete capital carryover projects from the previous year and to complete the delivery of a wide range of priority programs, projects and initiatives supporting the government’s mandate.

The requirement for the Corporation to maintain a positive net financial resources position is necessary to ensure future obligations can be met, particularly related to contractual commitments (\$27.87 million in 2021 as per Note 12 to the 2020/21 Consolidated Financial Statements) and to mitigate financial risk associated with the \$6.4 million third party loans (Note 13 to the 2020/21 Consolidated Financial Statements) that the Corporation administers on behalf of the CMHC. The Corporation indemnifies and holds harmless the CMHC from all losses, costs, and expenses related to these loans, as provided under the Social Housing Agreement (SHA). The Corporation has also provided loan guarantees to private sector companies and households in support of new construction or improvements in residential housing across the north. The total outstanding balance of loans guaranteed was \$0.3 million, as of March 31, 2021.

The cash and cash equivalents balance of \$49 million (\$45.3 million at March 31, 2020) represents the March 31, 2021 bank balance for 23 LHOs and the Corporation. The Corporation invests excess cash flow in portfolio investments that meet the terms of the investment policy. As at March 31, 2021, \$37.4 million (\$43.4 million at March 31, 2020)

was invested in portfolio investments with a weighted average rate of return of 2.18%.

Since 2012, the Corporation has been assisting mortgage program participants in restructuring their loans. This approach has assisted homeowners in satisfying their mortgage payment obligations. The total mortgage and loans receivable balance decreased from \$3.1 million as at March 31, 2020, to \$2.8 million as at March 31, 2021 as the principal balances continue to be paid.

### **Investment in Housing**

As at March 31, 2021, the Corporation had \$325.6 million of investments in land and buildings and other property and equipment, representing the amortized book value for approximately 2,600 owned public housing, homeownership rental, and market rental units. During the year, the NWT HC invested \$22 million in tangible capital assets, including a \$0.6 million transfer received from the Inuvialuit Regional Corporation (IRC) representing the value of the housing units constructed by the IRC on behalf of the NWT HC during 2020-21.

***APPENDIX B:***

***Independent Auditor's Report and  
Consolidated Financial Statements***

**Northwest Territories Housing Corporation**  
**Consolidated Financial Statements**  
**March 31, 2021**



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for preparing these accompanying consolidated financial statements in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

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


The Corporation's external auditor, the Auditor General of Canada, conducts an independent audit, in accordance with Canadian general accepted auditing standards, and expresses her opinion on the consolidated financial statements. The Corporation's external auditor has full and free access to financial management of Northwest Territories Housing Corporation.

On behalf of the Northwest Territories Housing Corporation



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Jim Martin, FCPA, FCGA, MBA, MA Acting for  
Eleanor Young  
President and CEO



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Konstantin Khasanov, CPA, CGA Acting for  
Vice President  
Finance and Infrastructure Services



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Housing Corporation

### *Opinion*

We have audited the consolidated financial statements of the Northwest Territories Housing Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

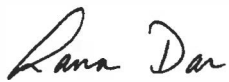
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
27 August 2021

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Consolidated Statement of Financial Position As at March 31, 2021 (in thousands)

	<u>2021</u>	<u>2020</u>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 48,996	\$ 45,274
Portfolio investments (Note 3)	37,406	43,394
Accounts receivable (Note 4)	41,775	11,897
Mortgages and loans receivable (Note 5)	... <u>2,787</u>	3,075
	<u>130,964</u>	<u>103,640</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	25,920	19,659
Deferred revenue	261	409
Loans and mortgages payable to Canada Mortgage and Housing Corporation (Note 7)	5,270	5,858
Environmental liabilities (Note 8)	1,106	558
Retirement, post-employment, and other leave benefits (Note 9)	<u>2,383</u>	2,766
	<u>34,940</u>	<u>29,250</u>
<b>Net financial assets</b>	96,024	74,390
<b>Non-financial assets</b>		
Tangible capital assets (Schedule A)	325,550	319,498
Inventories held for use	2,635	2,568
Prepaid expenses	<u>69</u>	70
	328,254	322,136
<b>Accumulated surplus</b>	<u>\$ 424,1278</u>	<u>\$ 396,526</u>
Contractual rights, obligations and contingencies (Notes 11, 12 and 13)		

Approved by:

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Hon. Paulie Chinna  
Minister Responsible for the  
Northwest Territories Housing Corporation

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Jim Martin, FCPA, FCGA, MBA, MA Acting for  
Eleanor Young  
President and CEO

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

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Change in Net Financial Assets For the year ended March 31, 2021 (in thousands)

	2021	2021	2020
	Budget	Actual	Actual
<b>Net financial assets, beginning of the year</b>	\$ 74,390	\$ 74,390	\$ 74,393
Items affecting net financial assets:			
Annual (deficit) surplus	(6,564)	27,752	6,149
Acquisition of tangible capital assets	(12,984)	(22,043)	(21,937)
Amortization	15,388	15,373	14,528
Proceeds from disposal of tangible capital assets	-	249	97
Loss from disposal of tangible capital assets	-	369	492
Grants in kind	-	-	549
Acquisition of inventories held for use	-	(1,428)	(1,090)
Consumption of inventories held for use	-	1,361	1,193
Acquisition of prepaid expenses	-	(54)	(59)
Consumption of prepaid expenses	-	55	75
Increase/(Decrease) in net financial assets	(4,160)	21,634	(3)
<b>Net financial assets, end of the year</b>	<u>\$ 70,230</u>	<u>\$ 96,024</u>	<u>\$ 74,390</u>

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

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Operations and Accumulated Surplus For the year ended March 31, 2021 (in thousands)

	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>			
Government funding:			
Government of the Northwest Territories	\$ 71,672	\$ 76,600	\$ 73,889
Canada Mortgage and Housing Corporation (Note 10)	19,587	45,086	19,854
Other Transfers (Note 16)	-	583	5,191
	<u>91,259</u>	<u>122,269</u>	<u>98,934</u>
Generated revenues:			
Rental revenue	9,688	10,654	10,673
Recoveries from mortgages and loans (Note 5)	475	605	508
Income from portfolio investments	691	686	1,666
Other revenue and recoveries	419	1,808	1,594
Interest revenue on mortgages and loans	120	94	111
	<u>11,393</u>	<u>13,847</u>	<u>14,552</u>
	<u>102,652</u>	<u>136,116</u>	<u>113,486</u>
<b>Expenses (Note 14)</b>			
Public housing program	67,942	63,335	62,073
Unilateral CMHC programs and other programs	2,465	2,199	2,807
HELP and market housing	7,024	9,243	9,565
Non-residential building operations	280	971	1,054
Rent subsidy program	600	749	260
Homelessness fund program	2,991	3,874	3,601
Homeownership assistance grants	9,167	6,558	7,511
Housing operations and support	18,747	21,435	20,466
	<u>109,216</u>	<u>108,364</u>	<u>107,337</u>
<b>Annual (deficit) surplus</b>	<u>\$ (6,564)</u>	<u>\$ 27,752</u>	<u>\$ 6,149</u>
<b>Accumulated surplus, beginning of year</b>	<u>396,526</u>	<u>396,526</u>	<u>390,377</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 389,962</u>	<u>\$ 424,278</u>	<u>\$ 396,526</u>

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

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Cash Flow For the year ended March 31, 2021 (in thousands)

	2021	2020
<b>Operating transactions</b>		
Annual surplus	\$ 27,752	\$ 6,149
Items not affecting cash:		
Amortization	15,373	14,528
Other transfers	(583)	(5,146)
Building from foreclosure	(110)	-
Loss from disposal of tangible capital assets	369	492
Grant in kind	-	549
Non-cash portfolio investment income	47	60
Non-cash mortgage funding	(45)	(171)
Change in valuation allowance for doubtful accounts	180	22
Change in valuation allowance for mortgages and loans receivable	-	(100)
	15,231	10,234
Change in non-cash assets and liabilities:		
Change in accounts receivable	(29,878)	(1,538)
Change in inventories held for use	(67)	103
Change in prepaid expenses	1	16
Change in accounts payable and accrued liabilities	4,308	(1,619)
Change in deferred revenue	(148)	5
Change in environmental liabilities	548	45
Change in retirement, post-employment, and other leave benefits	(383)	26
	(25,619)	(2,962)
Cash provided by operating transactions	17,364	13,421
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(19,501)	(15,629)
Proceeds from disposal of tangible capital assets	249	97
Cash used for capital transactions	(19,252)	(15,532)
<b>Financing transactions</b>		
Repayment of loans payable to CMHC	(588)	(597)
Cash used for financing transactions	(588)	(597)

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



## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Cash Flow (continued) For the year ended March 31, 2021 (in thousands)

	2021	2020
<b>Investing transactions</b>		
Proceeds from sale of portfolio investments	44,421	-
Acquisition of portfolio investments	(38,511)	(277)
Repayments of mortgages and loans receivable	288	422
Cash provided by investing transactions	6,198	145
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,722</b>	<b>(2,563)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>45,274</b>	<b>47,837</b>
<b>Cash and cash equivalents at end of the year</b>	<b>\$ 48,996</b>	<b>\$ 45,274</b>

Total interest paid during the year was \$354 (2020 - \$398).

Total interest received during the year was \$879 (2020 - \$1,423).

Interest received includes interest revenue on mortgages and loans and interest revenue included in income from portfolio investments.

Cash and cash equivalents are comprised of \$28,165 (2020 - \$26,745) of cash and \$20,831 (2020 - \$18,529) of cash equivalents.

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 1. PURPOSE OF THE ORGANIZATION

#### (a) Authority and reporting entity

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

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

#### (b) Economic dependence

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

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

#### (c) Budget

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies are as follows:

#### (a) Measurement uncertainty

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Reporting entity

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

Aklavik Housing Association	Łutselk'e Housing Authority
Behchokö Kö Gha K'òodèe	Norman Wells Housing Authority
Déljne Housing Association	Paulatuk Housing Association
Fort Liard Housing Authority	Radiih Koe Housing Association
Fort McPherson Housing Association	Sachs Harbour Housing Association
Fort Providence Housing Association	Tsiigehtchic Housing Association
Fort Resolution Housing Authority	Tuktoyaktuk Housing Association
Fort Simpson Housing Authority	Tulit'a Housing Association
Fort Smith Housing Authority	Ulukhaktok Housing Association
Gamètì Housing Authority	Whatì Housing Authority
Hay River Housing Authority	Yellowknife Housing Authority
Inuvik Housing Authority	

The Yellowknife Dene First Nation (Housing Division) has been excluded from the reporting entity since it is considered to be part of a separate level of government.

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

#### (c) Revenue recognition

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

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

Government transfer revenues, including funding provided by the Government and CMHC, are recognized as revenue in the period in which events giving rise to the transfer occurred as long as:

- i. the transfer is authorized;
- ii. eligibility criteria have been met;
- iii. there are no stipulations that give rise to a liability; and,
- iv. a reasonable estimate of the amount can be made.

Transfers received before these criteria are fully met are recorded as a liability.

The Corporation also sometimes receives transfers of housing units from government entities and third parties for a nominal fee, which are recognized as "Other Transfers" on the Consolidated Statement of Operations and Accumulated Surplus. The Corporation records these transfers consistent with its policy for government transfer revenues above at estimated fair value. Where the Corporation owns or leases the land that housing units are being constructed on, the Corporation records the assets and the related transfer

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

revenues as the housing units are being built on a percentage of completion basis.

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

#### (d) Programs

##### i) Contributions for public and affordable housing (HELP and market housing programs)

The Corporation provides income-based subsidies for the rental of housing for residents in need. The Corporation provides financial, administrative, maintenance, construction and repair to its public and affordable housing units. The Corporation operates multiple public housing units located in NWT communities.

##### ii) Contributions for unilateral CMHC programs and other programs

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

##### iii) Homeownership assistance grants

The Corporation, under section 44(1) of its Act, may make a homeownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. The property must remain the principal residence and the annual income must remain below the core need income threshold for the term of the agreement. The conditional grants, which vary in amount depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 5).

The Corporation has not since 2007 provided any new repayable mortgages/loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

#### (e) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than or equal to 90 days from the date of acquisition. Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust.

#### (f) Portfolio investments

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

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Mortgages and loans receivable

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

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

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

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

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

#### (h) Loan guarantees

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Tangible capital assets

##### i) Land and buildings

Land and housing units constructed or purchased by the Corporation are recorded at cost. Housing materials are also recorded at cost and included in construction in progress.

Tangible capital assets transfers are recorded at their estimated fair value at the date of contribution.

When the Corporation enters into lease agreements where the risks and benefits of ownership are transferred to the Corporation, the Public and affordable (HELP and market) housing units are recorded as capital leases. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs.

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

##### ii) Property and equipment

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

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

##### (j) Inventories held for use

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

##### (k) Employee future benefits

###### i) Pension benefits

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee future benefits (continued)

##### ii) Retirement, post-employment, and other leave benefits

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefits entitlements are paid upon resignation, retirement or death of an employee.

The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences including sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

##### iii) Northern Employee Benefits Service (NEBS) Pension Plan

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

Behchokö Kö Gha K'àodèe	Inuvik Housing Authority
Déłjne Housing Association	Łutsek'e Housing Authority
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Resolution Housing Authority	Tulít'a Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gamètì Housing Authority	

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year.

#### (I) Environmental liabilities

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

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

The liability is recognized net of any expected recoveries.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Related party transactions

The Corporation is related to all Government of the Northwest Territories departments, territorial corporations and public agencies; and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

#### i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

#### ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

#### iii) Services provided without charge

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

#### (n) Future accounting changes

Effective April 1, 2022, the Corporation will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Corporation is currently assessing the potential future impact of this standard. The Corporation will not early adopt this standard.

Effective April 1, 2023, the Corporation will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The Corporation is assessing the impact of this standard however does not expect the adoption will have a significant impact on the consolidated financial statements.



## NORTHWEST TERRITORIES HOUSING CORPORATION

### Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

#### 3. PORTFOLIO INVESTMENTS

Issuer	2021			2020
	Stated interest rate	Remaining term	Carrying amount	Carrying amount
Banker's acceptances, fixed rate	0.40% to 1.25%	< 1 year	\$ 5,628	\$ 13,707
Banker's acceptances, fixed rate	1.25%	1 to 2 years	346	473
Banker's acceptances, fixed rate	1.50% to 1.60%	2 to 5 years	30,000	14,484
Banker's acceptances, fixed rate	2.40% to 2.85%	6 years	-	12,350
Provincial government bonds, fixed rate	2.30%	1 to 2 years	-	991
Ontario Hydro Zero Coupon Bonds, fixed rate	2.70%	2 years	<u>1,432</u>	<u>1,389</u>
			<u>\$ 37,406</u>	<u>\$ 43,394</u>

The weighted average effective yield of this portfolio was 1.53% (2020 – 2.18%). Investments in bankers' acceptances are investments with terms to maturities of greater than 90 days. Fair value of investments was \$37,463 (2020 – \$43,218).

#### 4. ACCOUNTS RECEIVABLE

	2021	2020
Trade accounts receivable	\$ 5,110	\$ 4,900
Tenant rents receivable	<u>12,407</u>	<u>12,277</u>
	17,517	17,177
Less allowance for doubtful accounts	<u>(12,334)</u>	<u>(11,872)</u>
	5,183	5,305
Receivables from CMHC	31,903	6,283
Receivables from related parties:		
Government of the Northwest Territories	<u>4,689</u>	<u>309</u>
	<u>\$ 41,775</u>	<u>\$ 11,897</u>

Of the allowance for doubtful accounts balance disclosed above, \$950 (2020 - \$950) relates to trade accounts receivable and \$11,384 (2020 - \$10,922) relates to tenant rents receivable. Tenant rents receivable of \$1,009 were forgiven (2020 - Nil) during the year.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 5. MORTGAGES AND LOANS RECEIVABLE

#### (a) Mortgages and loans receivable

	2021	2020
Corporate loans, repayable in monthly installments at interest rates of 0.00% and 3.00%, secured, with a term over a maximum of 10 years	\$ 319	\$ 365
Mortgages based on Income Assessment before valuation allowance of \$279 (2020 - \$119), repayable in monthly installments at interest rates varying between 6.35% and 10.50%, secured by registered charges against real property, with a term over a maximum of 15 years	296	137
Loans based on Income Assessment before valuation allowance of \$2,995 (2020 - \$2,926), repayable in monthly installments at an interest rate varying between 0.00% and 12.00%, unsecured, with a term over a maximum of 15 years	3,130	3,180
Restructured mortgages before valuation allowance of \$890 (2020 - \$874), repayable in monthly installments at interest rates of 3.00%, secured by registered charges against real property, with a term over a maximum of 25 years	1,240	1,158
Restructured loans before valuation allowance of \$5,432 (2020 - \$5,619), repayable in monthly installments at interest rates varying between 0.00% and 7.20%, unsecured, with a term over a maximum of 25 years	7,398	7,773
Mortgages and loans receivable	12,383	12,613
Less allowance for impaired mortgages and loans receivable	(9,596)	(9,538)
	\$ 2,787	\$ 3,075

There were two write-offs in the current year totalling \$37 (2020 - none).

#### (b) Net recoveries on mortgages, loans receivable, and conditional grants

	2021	2020
Recoveries on impaired mortgages and loans	\$ 431	\$ 464
Adjustment to allowance for impaired mortgages and loans	(45)	(172)
Recoveries from conditional grants (Note 2)	219	216
	\$ 605	\$ 508

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 13,874	\$ 8,535
Contractor holdbacks	1,830	2,063
Tender and security deposits	442	401
Wages and employee benefits	2,438	1,984
Accrued interest	79	89
Damage deposits	2,469	2,387
Payables to related parties:		
Government of the Northwest Territories	4,788	4,200
	\$ 25,920	\$ 19,659

### 7. LOANS AND MORTGAGES PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2021		2020	
	Debt balance	CMHC funded portion	Net debt balance	Net debt balance
Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2022 to 2038, at interest rates from 6.88% to 19.00% (2020 - 5.94% to 19.00%).	\$ 19,979	\$ (19,979)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2020 - 6.97%). These loans are guaranteed by the Government.	9,993	(5,552)	4,441	4,893
Mortgages payable to CMHC for three housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.68% to 1.05%, (2020 - 1.05% to 3.13%).	829	-	829	965
	\$ 30,801	\$ (25,531)	\$ 5,270	\$ 5,858

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 7. LOANS AND MORTGAGES PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (continued)

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

Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of \$3,048 (2020 - \$3,183) and would have made additional principal long-term debt repayments to CMHC of \$1,467 (2020 - \$1,406).

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

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

	Principal	Interest	Total
2022	\$ 624	\$ 321	\$ 945
2023	661	286	947
2024	699	248	947
2025	711	207	918
2026	695	166	861
2027-2031	1,732	321	2,053
2032-2038	148	14	162
	\$ 5,270	\$ 1,563	\$ 6,833

### 8. ENVIRONMENTAL LIABILITIES

The Corporation has identified eleven fuel spill sites and no other contaminated sites (2020 - nine fuel spills sites and no other contaminated sites) for which an environmental liability has been recorded. There was one site (2020 - one) closed during the fiscal year as it has been remediated. Responsibility for one site (2020 - nil) was transferred to another entity and four new sites (2020 - two) were identified during the year. The liability is calculated as costs remaining to remediate the sites to the required environmental standard. The sites are expected to be remediated within the two years subsequent to year end. The estimated amount of recoveries is nil (2020 - nil). The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS

#### Pension benefits

Employees of the Corporation participate in Canada's Public Service Pension Plan (the "Plan"). The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in legislation; they are not based on the financial status of the pension plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017. The Corporation contributed \$1,170 (2020 - \$1,233) to the Public Service Pension Plan. The employees' contributions to this plan were \$1,121 (2020 - \$1,134). Total contributions were recognized as an expense in the current year.

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

#### Other employee future benefits and compensated absences

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

Severance benefits are paid to the Corporation's employees based on the type of termination (e.g. resignation versus retirement) and inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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

#### Valuation results

The most recent actuarial valuation was completed as at March 31, 2021. This valuation was based on data completed as at February 15, 2019 that has been extrapolated to year-end. The effective date of the next actuarial valuation is March 31, 2022. The values presented below are for all of the benefits under the severance and removal and compensated absences for the Corporation.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

#### 9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS (continued)

Changes in Obligation	2021	2020
Accrued benefit obligation, beginning of year	\$ 2,509	\$ 2,907
Current period benefit cost	94	400
Accrued interest	29	45
Benefits payments	(462)	(425)
Actuarial (gains)	<u>(243)</u>	<u>(418)</u>
Accrued benefit obligation, end of year	1,927	2,509
Unamortized net actuarial loss	<u>456</u>	<u>257</u>
Retirement, post-employment, and other leave benefits*	<u>\$ 2,383</u>	<u>\$ 2,766</u>

\*Total retirement, post-employment, and other leave benefits includes \$2,278 (2020 – \$2,539) related to severance and removal and \$105 (2020 – \$227) related to compensated absences.

Benefits Expense	2021	2020
Current period benefit cost	\$ 94	\$ 400
Accrued interest	29	45
Actuarial (gains)/losses	<u>(44)</u>	<u>6</u>
	<u>\$ 79</u>	<u>\$ 451</u>

The discount rate used to determine the accrued benefit obligation is an average of 3.30% (2020 - 2.70%). The assumed rate of compensation increase is 2% (2020 – 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 8 years (2020 – 8 years). No inflation rate was applied.

#### Northern Employees Benefits Services (NEBS) Pension Plan

Eligible employees of member LHOs are covered by the Northern Employee Benefits Services (NEBS) Pension Plan, a contributory defined benefit plan. NEBS is a member owned, not-for profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north. The employer and employee contribution rates effective at year end were both 8% (2020 - 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$414 and \$406 (2020 - \$420 and \$420 respectively).

The plan serves 1,930 Employee Members and 111 Employer Members. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the *Pension Benefits Standards Act* (PBSA). NEBS has agreed to voluntarily comply with PBSA until the plan can be registered under Territorial legislation. The Governments of the NWT and Nunavut passed the *NEBS Pension Plan Protection Act* in February 2014 which sets rules to protect Plan Members funds. As of December 31, 2020, the plan had a surplus of \$64,776 (December 31, 2019 - \$42,537).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 10. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2021	2020
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement (Note 11):		
Contributions for public housing rental subsidies	\$ 8,659	\$ 8,840
Contributions to non-profit housing sponsor groups and cooperatives	3,600	3,722
Repairs, maintenance and other costs	1,132	1,223
Co-Investment Fund Agreement	25,500	-
Bilateral Agreement (Note 11)	6,195	6,069
	\$ 45,086	\$ 19,854

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

On March 31, 2021, the Corporation signed the Co-Investment Fund Agreement under National Housing Co-Investment Fund. Funding under this agreement is provided to assist with financing the construction of a portfolio of new construction projects of 60 housing units.

On April 1, 2018, the Corporation signed the Bilateral Agreement under the 2017 National Housing Strategy. Funding under this agreement is provided to increase access to housing, reduce housing needs, and achieve better housing solutions. An action plan for the 3 year period 2019-2022 has been developed, within the Bilateral Agreement parameters, with a priority of focusing on maintaining or increasing social housing stock, replacing existing housing stock, and providing homeownership repair programs.

### 11. CONTRACTUAL RIGHTS

	Expiry Date	2022	2023	2024	2025	2026	2027+	Total
CMHC SHA	2039	\$ 12,814	\$ 11,868	\$ 11,068	\$ 9,659	\$ 8,394	\$ 33,863	\$ 87,666
CMHC Bilateral	2028	7,014	8,016	8,450	10,090	11,351	26,927	71,848
RCMP Lease	2041	101	101	101	101	101	1,511	2,016
		\$ 19,929	\$ 19,985	\$ 19,619	\$ 19,850	\$ 19,846	\$ 62,301	\$ 161,530

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 12. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Also included in the 2022 contractual obligations are capital construction commitments for housing construction projects with contracts signed in 2021.

	Expiry Date	2022	2023	2024	2025	2026	2027+	Total
Lease	2031	\$ 4,612	\$ 4,393	\$ 3,735	\$ 2,431	\$ 554	\$ 1,490	\$ 17,215
Capital obligation	2022	<u>10,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,659</u>
		<u>\$ 15,271</u>	<u>\$ 4,393</u>	<u>\$ 3,735</u>	<u>\$ 2,431</u>	<u>\$ 554</u>	<u>\$ 1,490</u>	<u>\$ 27,874</u>

### 13. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by Regulation made pursuant to the *Northwest Territories Housing Corporation Act*. As at March 31, 2021 a total of 7 (2020 - 9) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$322 (2020 - \$380). In 2021, there was no corporate loan guarantee (2020 - \$12). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028.

Under the terms of the Social Housing Agreement with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, cost and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2021 was \$6,426 (2020 - \$8,203). The period covered by these related loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from the Corporation. The obligation under loan guarantees as at March 31, 2021 is nil (2020 - nil).



# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 14. EXPENSES BY OBJECT

	2021	2020
Amortization	\$ 15,373	\$ 14,528
Compensation and benefits	28,928	29,203
Computer costs	54	91
Contract services	6,633	6,006
Controllable assets	341	95
Fees and payments	157	260
Grants and contributions	14,195	14,944
Interest on long-term debt	354	398
Loss on TCA Disposal	369	535
Materials and supplies	2,563	2,479
Minor modernization and improvements	5,489	4,261
Other expenses	928	624
Property taxes and land leases	2,245	2,204
Purchased services	841	792
Rental leasing	3,738	3,919
Travel	420	868
Utilities	25,556	26,207
Valuation allowances	180	(77)
	\$ 108,364	\$ 107,337

### 15. FINANCIAL RISK MANAGEMENT

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

#### Liquidity risk

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

Financial Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 25,920	\$ -	\$ -	\$ 25,920
Loans payable to CMHC	624	2,766	1,880	5,270
Total financial liabilities	\$ 26,544	\$ 2,766	\$ 1,880	\$ 31,190

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### Credit risk

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

#### Cash and cash equivalents and portfolio investments

Credit risk on cash equivalents and portfolio investments arises from the possibility that the counter-party to the instrument fails to meet their obligations. In order to manage this risk, the Corporation only invests in high quality fixed income investments. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is \$58,237 (2020 - \$61,923).

#### Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. In order to manage this risk, the Corporation actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk is \$41,775 (2020 - \$11,897).

#### Mortgages and loans receivable

Credit risk on mortgages and loans receivable arises from the possibility that the borrower fails to meet their obligations. In order to manage this risk, the Corporation actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. In 2013 the Corporation developed the Revised Mortgage Approach to determine new repayable loan amounts. The maximum exposure to credit risk is \$2,787 (2020 - \$3,075).

As at March 31, 2021, \$1,142 (2020 - \$953) of the impaired mortgages and loans are secured by homes the Corporation has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The fair value of the security is not readily determinable.

As at March 31, 2021, the following financial assets were past due but not impaired:

Financial assets	<u>30 days</u>	<u>60 days</u>	<u>90 days</u>	<u>120+ days</u>
Tenants rent receivable	\$ 300	\$ 182	\$ 95	\$ 110
Trade accounts receivable	19	-	-	109
Mortgages and loans receivable	39	87	137	220

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 16. OTHER TRANSFERS

In accordance with agreements signed in 2017 and 2018, the Corporation has and will receive public housing units from the Inuvialuit Regional Corporation (IRC). The IRC constructs the units on land owned or leased by the Corporation using funding provided directly to the IRC by Indigenous and Northern Affairs Canada. The units are transferred to the Corporation on completion for a nominal fee. The Corporation treats these tangible capital assets received as government transfers and accrues the tangible capital asset (including work in progress) and the related government transfer revenues as the units are constructed. During the year, IRC constructed and transferred to the Corporation one public housing unit (2020 - five units) with one unit still under construction (2020 - two units).

### 17. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Northwest Territories 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. Balances receivable and payable resulting from transactions that the Corporation had with related parties during the year are disclosed in Notes 4 and 6.

	<u>2021</u>	<u>2020</u>
<b>Related party expenses</b>		
Arctic Energy Alliance	\$ 50	\$ 58
Aurora College	2	5
Fuel Services Division	3,183	3,491
Government of the Northwest Territories Departments	2,099	1,396
Marine Transportation Services	-	24
Northwest Territories Power Corporation	<u>7,244</u>	<u>7,204</u>
	<u>\$ 12,578</u>	<u>\$ 12,178</u>

### 18. COMPARATIVE FIGURES

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

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Consolidated Schedule of Tangible Capital Assets As at March 31, 2021 (in thousands)

Schedule A

**Lands and Buildings:**

	Cost				Accumulated amortization					Net Book Value (NBV)	
	Opening balance	Acquisitions	Transfers <sup>1</sup>	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2021	2020
Land	\$ 9,349	\$ 26	\$ -	\$ -	\$ 9,375	\$ -	\$ -	\$ -	\$ -	\$ 9,375	\$ 9,349
Public Housing <sup>2</sup>	388,481	84	17,288	(2,581)	403,272	176,680	10,928	(2,094)	185,514	217,758	211,801
HELP and market housing	98,799	-	3,246	(312)	101,733	32,263	3,474	(181)	35,556	66,177	66,536
Non-residential properties	8,246	-	-	-	8,246	4,006	212	-	4,218	4,028	4,240
Work in Progress <sup>2</sup>	19,349	21,630	(20,534)	-	20,445	-	-	-	-	20,445	19,349
<b>Sub-total</b>	<b>524,224</b>	<b>21,740</b>	<b>-</b>	<b>(2,893)</b>	<b>543,071</b>	<b>212,949</b>	<b>14,614</b>	<b>(2,275)</b>	<b>225,288</b>	<b>317,783</b>	<b>311,275</b>
<b>Property and equipment:</b>											
Warehouses and offices	12,890	-	-	-	12,890	6,459	322	-	6,781	6,109	6,431
Mobile equipment	3,394	303	-	-	3,697	2,288	252	-	2,540	1,157	1,106
Leasehold improvements	1,030	-	-	-	1,030	778	50	-	828	202	252
Office furniture and equipment	6,073	-	-	-	6,073	5,676	124	-	5,800	273	397
Software	114	-	-	-	114	77	11	-	88	26	37
<b>Sub-total</b>	<b>23,501</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>23,804</b>	<b>15,278</b>	<b>759</b>	<b>-</b>	<b>16,037</b>	<b>7,767</b>	<b>8,223</b>
<b>Total</b>	<b>\$ 547,725</b>	<b>\$ 22,043</b>	<b>\$ -</b>	<b>\$ (2,893)</b>	<b>\$566,875</b>	<b>\$ 228,227</b>	<b>\$ 15,373</b>	<b>\$ (2,275)</b>	<b>\$ 241,325</b>	<b>\$ 325,550</b>	<b>\$ 319,498</b>

(1) Includes tangible capital assets transfers received from IRC with a value of \$18,469 (2020 - \$16,147) in Public Housing and \$2,519 (2020 - \$4,258) in Work in Progress.

(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$2,063 (2020 - \$1,133)