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NORTHWEST  
TERRITORIES  
HOUSING CORPORATION  
1976



annual report

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## THE NORTHWEST TERRITORIES HOUSING CORPORATION

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The Northwest Territories Housing Corporation plans, builds and, through local housing associations and authorities, manages housing for the benefit of all residents of the Northwest Territories.

Its objective is to create, co-ordinate and direct housing programs based on need, environment and research.

The Corporation is a business funded and controlled by the Commissioner and Council of the Northwest Territories. It is not a department of the Government.

As an agent of the Commissioner of the Northwest Territories, it is an aggressive participant in the world of private enterprise; a public business producing economical housing. It is charged also with providing housing, at considerable loss if necessary, to those in need. The Corporation is also directed to encourage and help residents of the Northwest Territories to own their own homes.

The Corporation was created by the Council of the Northwest Territories on Oct. 13, 1972 on the recommendation of its Task Force on Housing.

An order by the Commissioner brought the Northwest Territories Housing Corporation into being on March 1, 1973. Operations began officially on Jan. 1, 1974, when it took over all federal and territorial northern rental programs.

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## CHAIRMAN'S REPORT

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Mr. S.M. Hodgson,  
Commissioner of the Northwest Territories,  
Yellowknife, N.W.T.

Dear Sir:

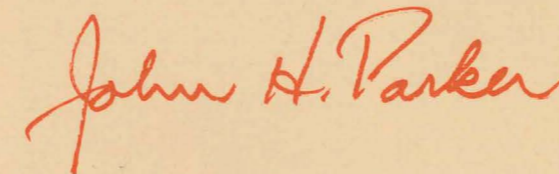
I have the honour to present the Annual Report and Financial Statement of the Northwest Territories Housing Corporation for its fiscal year January 1, 1976 to December 31, 1976.

I am pleased to be able to provide assurance of the growth of the Corporation, both in terms of housing production as well as in development and management expertise.

Positive steps have been taken by the Board of Directors in new Corporation policies and programs that will continue to improve housing programs in the Northwest Territories. My gratitude to the continuing effort of the Directors is sincerely acknowledged.

It is also timely, I believe, to express gratitude to the management and staff of the Corporation for their dedication and loyalty to our endeavours. Through improved teamwork and co-operation, the Corporation has now reached a full measure of efficiency.

Respectfully submitted,



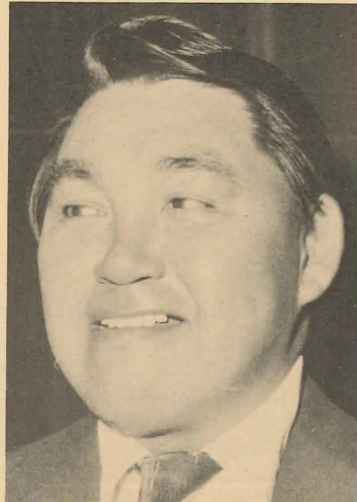
John H. Parker,  
Chairman, Board of Directors.

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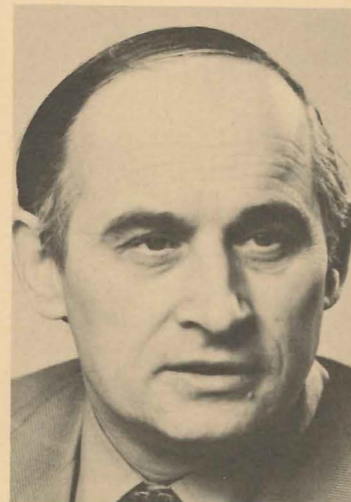
## BOARD OF DIRECTORS



John H. Parker,  
Chairman,  
Yellowknife.



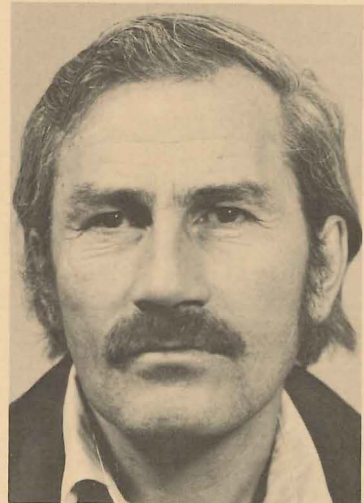
Simeon Aklunark,  
Vice-chairman,  
Rankin Inlet.



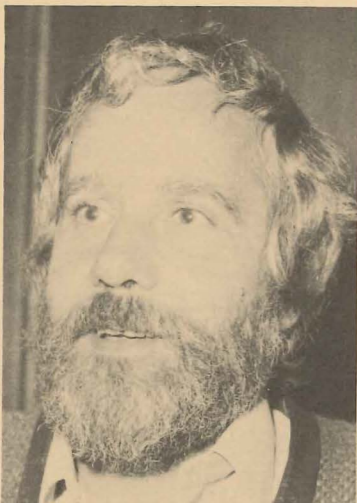
Sig Dietze,  
Managing Director,  
Yellowknife.



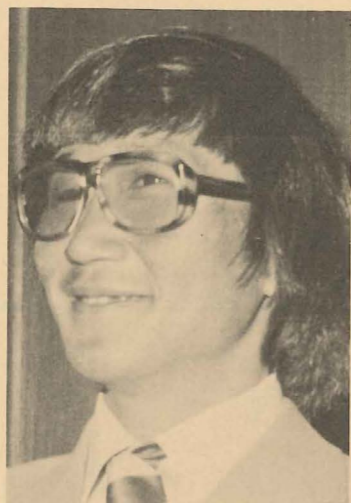
Richard Whitford,  
Rae.



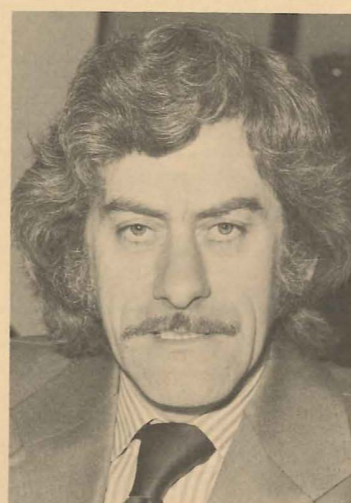
John Steen,  
Tuktoyaktuk.



Ib Kristensen,  
Fort Smith.



David Kanayok,  
Holman Island.



Bryan Pearson,  
Frobisher Bay.

## MANAGING DIRECTOR'S REPORT

Mr. John H. Parker,  
Chairman, Board of Directors,  
Northwest Territories Housing Corporation,  
Yellowknife, N.W.T.

Dear Mr. Parker:

I take pleasure in submitting to you the Report of Operations together with the Financial Statement of the Northwest Territories Housing Corporation for its fiscal year ending December 31, 1976.

Thanks to the approval by the Board of new policies, programs and activities, the Corporation was able to meet its mandate in a more responsible manner. Aided by new, experienced staff who joined us subsequent to the 1975 reorganization, the management of Corporation programs was carried out more successfully and efficiently.

Many important new policies and program reviews were initiated by the Board in 1976. Together with the Integrated Housing Policy adopted by the Legislative Assembly they will form the basic framework for improvements in housing production, in programs and administration. In addition, they are supporting a changing emphasis towards more involvement of local communities in housing programs. We are positive the years ahead will see much improvement in housing programs.

Steps were taken to continue the expansion of our five District Offices to assure that more assistance can be provided to Housing Associations and Authorities. I acknowledge with sincere thanks the untiring efforts of all Corporation staff but especially the District staff in carrying out the difficult tasks of property management, administration and development in the communities of the Northwest Territories.

While we are proud of our housing production, we realise that further new responsibilities are being placed on Housing Associations and Authorities acting as our agents. We acknowledge with sincere thanks the fine contributions made by Housing Associations and Authorities and their resourcefulness in spite of continued obstacles. Without their continued responsible participation, housing programs in the Northwest Territories would be unsuccessful. Continued emphasis must thus be placed on providing adequate assistance to meet local management needs.

The continued increases in house production were due in the main to a positive spirit of co-operation established with Central Mortgage and Housing Corporation. Similarly, better co-ordination of efforts has been established with other Government agencies.

May I take this opportunity to thank you, Mr. Chairman, and the members of the Board, for your continued leadership and dedication to the cause of better housing for all Northerners and for the support you have given me in providing sound management. My personal thanks are also due each staff member of the Corporation for their loyalty, dedication and hard work in times of change and expansion.

Yours sincerely,

S. Dietze,  
Managing Director.

## 1976 OPERATIONS

**To create, co-ordinate and direct housing programs [that] make available an adequate standard of housing to all residents of the Northwest Territories.**

**- from objectives for the Corporation approved by the Board of Directors in December, 1975.**

Surpassing the previous year's production of public housing, the Corporation initiated 383 housing starts in 34 settlements during 1976. In addition, 23 Country Home Assistance Grants of \$5,000 enabled families to build their own homes from local material in areas where public housing is not available.

Of the 383 units of public housing, 20 were for senior citizens, 23 for single persons, 22 family dwellings were log houses, 20 were stick built and the remaining 298 were prefabricated. In all cases, the units met NHA standards and contained major interior and exterior improvements. In keeping with the Corporation policy of using Northern tradesmen and labour whenever possible, local contractors were awarded 96 per cent of the construction contracts.

At the request of the Corporation, a manufacturer of prefab units set up a packaging site in Hay River, utilizing timber from local sawmills. This produced a significant boost to the local economy.

As of December 31, 1976, the Corporation was responsible for the operation and maintenance of 3,203 units of accommodation in the various settlements. This includes 3,032 units of northern rental and public housing, 83 units for senior citizens, 58 single person units and 30 units of apprenticeship housing.

Administering this housing for the Corporation were 46 housing associations and five housing authorities. They assessed and collected rents, and handled local administration and maintenance. Rental revenues were retained by the associations as a supplement to their annual operating grants.

An increase in the annual Maintenance Grant and comprehensive training programs involving maintenance and administration instruction greatly assisted the housing associations. In addition, all five Corporation district offices were staffed with maintenance supervisors and program assistants.

Through the Northwest Territories Housing Corporation, four fully-equipped prefab house packages were sold, at a cost of \$23,000 each, to the Yellowknife Housing Co-operative for construction by its members.

The Corporation's Board of Directors approved an Integrated Housing Policy and a submission was made to the federal Treasury Board for funding. Under the proposal, 3,110 new units of social housing, accommodation for 150 senior citizens and 200 single persons and rehabilitation of 625 family housing units would be completed by the end of 1982. Capital funds would be more readily available for land assembly, interim financing and a new mortgage program. Home ownership would be made easier for families with low or middle incomes and grants for those building homes in remote areas would be raised to \$10,000.

To point out at first hand some of the housing problems of the North, the Corporation conducted Bill Teron, Chairman of the Board of Directors of the Central Mortgage and Housing Corporation, and other federal officials, on a tour of eastern Baffin Island.

A disappointment in 1976 was the reluctant decision to terminate the log house program at the end of the year. New minimum insulation standards set by the Central Mortgage and Housing Corporation, although beneficial to northern homes, require the use of logs more than 10 inches in diameter, a product unavailable in commercial quantities in the Northwest Territories. Spiralling costs of material and labour and organic deficiencies in local timber also contributed to the demise of the program.

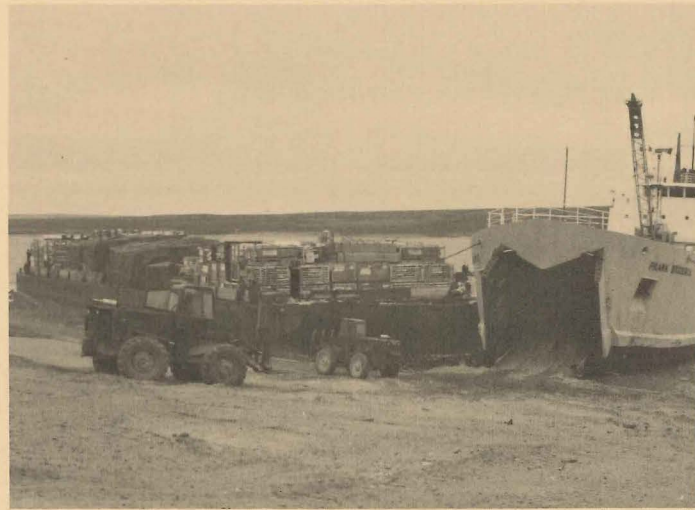
In March, the Corporation signed an agreement with the Central Mortgage and Housing Corporation to implement the Rural and Remote Housing Program. The objective of the program is to provide home-ownership for low income rural and native groups in all communities except Yellowknife.

There were changes in the Board of Directors during the year. Lena Pederson of Coppermine and Cecilia Wetade of Rae completed their three year terms of office. Appointed during 1976 were David Kanayok of Holman Island, Ib Kristensen of Fort Smith and John Steen of Tuktoyaktuk. Other Board members are Deputy Commissioner and Chairman of the Board, John Parker, vice-chairman, Simeon Aklunark of Rankin Inlet, Sig Dietze, managing director of the Corporation, and Bryan Pearson of Frobisher Bay, who was re-appointed in 1976 for another term.



The Corporation's head office moved to Yellowknife's new Northern United Place in 1976. Two 10-storey towers house a United Church, apartments, offices and the YWCA. Operating deficits incurred by the YWCA are partly covered by a grant from the Corporation.

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1 Ten new public housing units for Gjoa Haven were delivered by sealift from Hay River in 1976. Other communities are served from Churchill, Montreal.

2



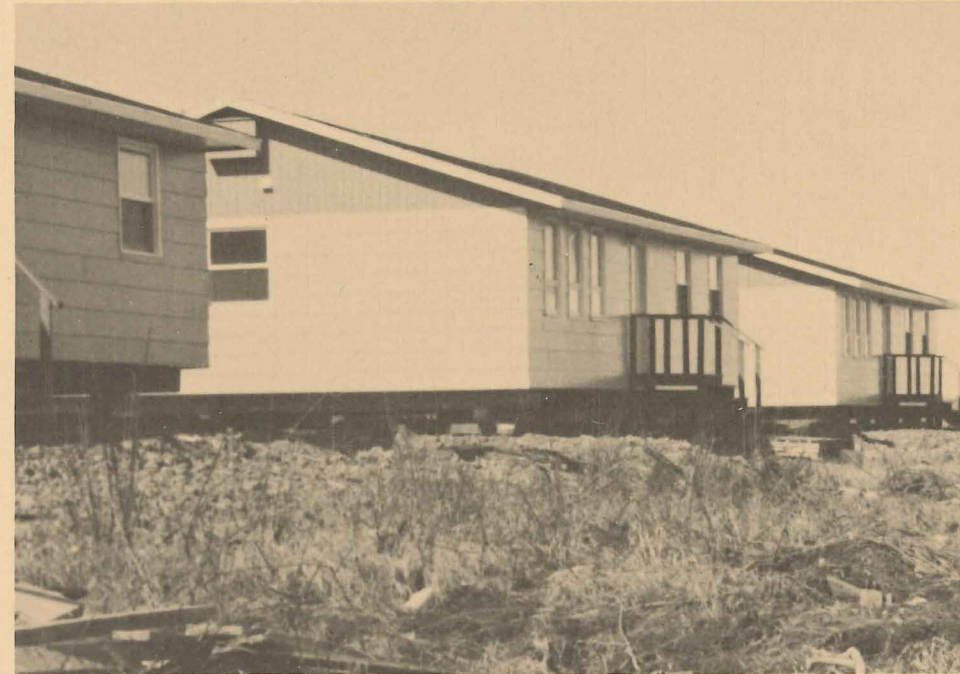
2 The Corporation has pledged to provide safe, comfortable and dignified housing for the N.W.T. At Aklavik, a packing crate becomes a dog house.

3 Spectacular mountain scenery is one benefit of living in Pond Inlet. In 1976, 15 public housing units were built in this community by the Corporation.



3

1 2



1 The five public Housing units built at Aklavik in 1976 were part of the Corporation's construction program of 383 units.

2 Don Ilich (right), secretary manager of the Rae-Edzo Housing Association, watches as Eddie Koyina installs the wiring in one of 10 public housing units built at Rae in 1976.



3 A \$7,500 Country Home Assistance Grant from the Corporation helped Charlie Hope build this two-storey log cabin in Fort Liard.

3

## FINANCIAL STATEMENTS

Council of the Northwest Territories,  
Yellowknife, Northwest Territories

I have examined the balance sheet of the Northwest Territories Housing Corporation as at December 31, 1976, and the statements of operations, equity and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

As discussed in Note 1, investments in projects includes an amount of \$12,977,000 which is the original cost of certain Northern Rental Houses transferred to the corporation by the Government of the Northwest Territories. The fair value of these houses has not been appraised and as a result the carrying value in the financial statements may exceed their fair value. In addition, no depreciation has been recorded on these houses.

In my opinion, subject to any adjustment to investments in projects which may be necessary on the determination of a fair value for Northern Rental Houses and except for the failure to record depreciation relating thereto, these financial statements present fairly the financial position of the Northwest Territories Housing Corporation as at December 31, 1976 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Auditor General of Canada

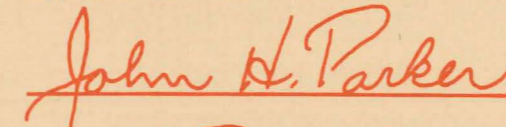
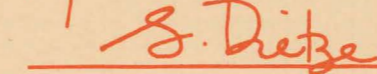


Ottawa, Ontario  
May 27, 1977

## BALANCE SHEET AT DECEMBER 31, 1976

	1976	1975
<b>Assets</b>		
Investments in projects - see attached Schedule (Notes 2,3 & 4)	<b>\$40,677,250</b>	\$28,624,843
Fixed assets, at cost less accumulated depreciation (Note 5)	<b>615,778</b>	137,809
Current Assets		
Cash and short-term deposits	<b>4,522,031</b>	2,441,281
Accounts receivable	<b>1,268,473</b>	633,697
	<b>5,790,504</b>	3,074,978
	<b><u>\$47,083,532</u></b>	<b><u>\$31,837,630</u></b>
<b>Liabilities</b>		
Long-term debt (Note 6)		
Loans payable to Central Mortgage and Housing Corporation less principal of \$20,346 due within one year	<b>\$9,015,984</b>	\$4,349,319
Advance from Central Mortgage and Housing Corporation	<b>8,759,354</b>	5,120,980
Loans payable to Canada less principal of \$39,267 due within one year	<b>772,583</b>	645,220
	<b><u>18,547,921</u></b>	<b><u>10,115,519</u></b>
Current Liabilities		
Accounts payable	<b>1,397,194</b>	1,022,844
Accrued interest	<b>983,456</b>	291,524
Due to the Government of the Northwest Territories	<b>183,193</b>	42,167
Holdbacks payable	<b>679,338</b>	599,985
Deferred revenue	<b>1,655,200</b>	-
Current portion of long-term debt	<b>59,613</b>	47,749
	<b><u>4,957,994</u></b>	<b><u>2,004,269</u></b>
<b>Equity</b>		
Equity of the Northwest Territories	<b>23,577,617</b>	19,717,842
The accompanying notes are an integral part of the financial statements	<b><u>\$47,083,532</u></b>	<b><u>\$31,837,630</u></b>

Approved on behalf of the Board:

 Chairman  
 Director

## STATEMENT OF EXPENSE

For the year ended December 31, 1976

	1976	1975
<b>Expense</b>		
Program		
Operating grants, less recoveries (Note 7)	\$ 5,625,176	\$ 4,582,702
Special program and subsidies	42,767	84,444
Interest on long-term debt	899,275	384,460
Depreciation	30,316	35,150
Mortgage forgiveness and administration	2,074	4,422
	<u>6,599,608</u>	<u>5,091,178</u>
Major maintenance, site work and home ownership assistance	<u>845,019</u>	<u>173,073</u>
Net cost of log machine operations	<u>99,260</u>	<u>82,483</u>
Administration		
Salaries and employee benefits	838,556	481,218
Travel	221,223	104,410
Recruitment and removal	129,341	28,389
Rentals - Buildings and equipment	89,223	45,950
Communications	62,015	33,593
Professional and special services	58,646	47,323
Materials and supplies	41,968	41,388
Depreciation	29,573	6,213
Directors' fees and expenses	23,826	12,343
Repairs and maintenance	14,865	22,700
Interest	2,482	3,300
Other	4,547	3,992
	<u>1,516,265</u>	<u>830,819</u>
	<u>9,060,152</u>	<u>6,177,553</u>
Deduct		
Interest income	495,466	322,345
Rental revenue	116,532	107,166
	<u>611,998</u>	<u>429,511</u>
Net expense for the year	<u>\$ 8,448,154</u>	<u>\$ 5,748,042</u>

The accompanying notes are an integral part of the financial statements.

## STATEMENT OF EQUITY

For the year ended December 31, 1976

	1976	1975
Equity at beginning of year	\$ 19,717,842	\$ 16,645,651
Net expense for the year	<u>8,448,154</u>	<u>5,748,042</u>
	<u>11,269,688</u>	<u>10,897,609</u>
Grants provided by Northwest Territories:		
Operating	7,736,620	5,587,261
Capital, used for major maintenance, site work and home ownership program	845,019	173,073
Capital	<u>3,726,290</u>	<u>3,209,665</u>
	<u>12,307,929</u>	<u>8,969,999</u>
Less adjustment of costs of assets transferred	-	149,766
	<u>12,307,929</u>	<u>8,820,233</u>
Equity at end of year	<u>\$ 23,577,617</u>	<u>\$ 19,717,842</u>

The accompanying notes are an integral part of the financial statements.

## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1976	1976	1975
Funds provided		
Grants provided by Northwest Territories:		
Operating	\$7,736,620	\$5,587,261
Capital, major maintenance, etc.	845,019	173,073
Capital	<u>3,726,290</u>	<u>3,209,665</u>
	12,307,929	8,969,999
Proceeds of long-term borrowing	8,496,870	5,414,037
Principal payments on mortgage loans	<u>30,748</u>	<u>31,418</u>
	<u>20,835,547</u>	<u>14,415,454</u>
Funds applied		
Operations:		
Net expense	8,448,154	5,748,042
Less items not involving an outlay or receipt of funds (net)	<u>63,840</u>	<u>4,706</u>
	8,384,314	5,743,338
Capital project expenditure	12,003,732	8,272,718
Notes receivable and purchase options (net)	162,862	-
Acquisition of fixed assets	468,472	68,762
Reduction of long-term debt	<u>54,366</u>	<u>40,816</u>
	21,073,746	14,125,634
(Decrease) increase in working capital	(238,199)	289,820
Working capital at beginning of year	<u>1,070,709</u>	<u>780,889</u>
Working capital at end of year	<u>\$ 832,510</u>	<u>\$1,070,709</u>

The accompanying notes are an integral part of the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### 1. Objectives of the Corporation and Significant Accounting Policies

The Housing Corporation was established on October 13, 1972, pursuant to the Northwest Territories Housing Corporation ordinance.

The objective of the Corporation is the development, maintenance and management of housing in the Northwest Territories.

The cost of projects constructed by the Corporation is financed from proceeds of loans from Central Mortgage and Housing Corporation and by grants from the Government of the Northwest Territories.

#### Projects under construction

During the construction period, interest on the applicable loan advances and salaries of construction support staff are added to the cost of capital projects.

#### Depreciation of Investments in Projects

Public housing projects in accordance with the terms of the National Housing Act are, when completed, depreciated by the sinking fund method based on the principal repayment of the applicable long-term loans.

Northern Rental Houses were transferred to the Corporation by the Northwest Territories' Government, at their cost to the Northwest Territories. Depreciation will not be charged on these buildings until the Corporation has established their fair value.

### Depreciation of Fixed Assets

	Annual rate	Basis
Buildings	5%	Straight line
Office Furniture and Equipment	20%	Declining balance
Leasehold improvements	10%	Straight line over term of the lease plus one renewal term
Log lathe - unit of production basis to be fully written off after 500 houses have been manufactured.		

#### Operating Grants

The Corporation receives operating grants from the Government of the Northwest Territories on a fiscal year basis. For the purposes of revenue recognition, 20% of the 1975-76 and 80% of the 1976-77 operating grants have been included as revenue.

#### Rental Operations

The Corporation leases two apartment buildings to provide housing on a non-profit basis in the City of Yellowknife. Any deficits or surpluses arising from these operations are deferred, and adjustments are made to the operations to ensure that they are absorbed in future years.

#### Grants to Housing Authorities

The Corporation records grants to Housing Authorities on a modified cash basis. It is the policy of the Corporation to include as accounts payable at December 31 only those additional operating grants pertaining to that year that are known and paid during the two months following the year end.



## NOTES TO FINANCIAL STATEMENTS

### 2. Notes receivable and options

(a) Central Mortgage and Housing Corporation has agreed to lend \$1,056,000 to a third party to finance the construction of a low income housing project.

The loan which is repayable over a period of fifty years bears interest at 8% and is secured by a first mortgage over the project.

The commencing date for the repayment period has yet to be established.

At a cost of \$28,602, the Corporation has purchased an exclusive option to acquire the housing project from the third party fifteen years after the date on which the first mortgage was finalized (closing date).

If the option is exercised, the purchase price will be the aggregate of:

(a) \$105,988 in cash; and,

(b) the balance owing under the mortgage at the closing date.

Should the Corporation not exercise its option within the allowed period, the option consideration of \$28,602 will be forfeited to the third party and an interest free note receivable which the Corporation holds from that third party, in the amount of \$77,386, will be forgiven as compensation for damages.

(b) Under the same circumstances and conditions as above, the Corporation has purchased at a cost of \$58,397, an option to acquire a second housing project.

The principal of the loan is \$2,168,290 and the purchase price of the project will be:

(a) \$221,873 in cash; and,

(b) the balance owing under the mortgage at the closing date.

If the option is not exercised, the option consideration of \$58,397 will be forfeited and an interest free note receivable which the Corporation holds from that third party in the amount of \$163,476, will be forgiven as compensation for damages.

### 3. Investment in Projects

Details of cost of buildings and advances and accumulated depreciation and amortization included in Investment in Projects is as follows:

	Public Housing	Senior Citizens Housing	Total
Buildings at cost			
Less: accumulated depreciation	\$ 10,078,250	-	\$ 10,078,250
	88,593	-	88,593
	<u>\$ 9,989,657</u>	<u>-</u>	<u>\$ 9,989,657</u>
Advances to projects	\$ 722,173	\$ 475,757	\$ 1,197,930
Less: accumulated amortization	7,304	2,402	9,706
	<u>\$ 714,869</u>	<u>\$ 473,355</u>	<u>\$ 1,188,224</u>

### 4. Mortgages

Mortgages receivable comprise the following:

First mortgages bearing interest at rates varying between 6% and 7¼% per annum, repayable over a maximum period of 25 years \$ 548,120

Second mortgages, administered by Central Mortgage and Housing Corporation, bearing interest at 9½% per annum, repayable over a maximum period of 25 years 56,482

Second mortgages, interest free, repayable over a maximum period of 10 years 12,832

\$ 617,434

### 5. Fixed Assets

Fixed assets which are stated at cost, comprise the following:

Land \$ 20,000  
 Building 32,709  
 Office furnishing and equipment 113,517  
 Log lathe 73,853  
 Leasehold improvements 90,338  
 District offices 54,887  
 Staff houses 290,412

675,716

Less: accumulated depreciation 59,938

\$ 615,778

### 6. Long-term Debt

Loans from Central Mortgage and Housing Corporation are repayable in annual amounts until the year 2028 and bear interest at an average weighted rate of 8.71%. Advances from Central Mortgage and Housing Corporation, which bear interest at an average weighted rate of 10.35%, represent interim financing for construction of

Housing Projects and are recorded as loans repayable after the applicable interest adjustment date. The repayment of principal and interest on borrowings by the Corporation is guaranteed by the Commissioner of the Northwest Territories under provision of Section 15 of the Northwest Territories Housing Corporation Ordinance. Loans from Canada are repayable in annual amounts through 1996, and bear interest at an average weighted rate of 7.17%.

Principal repayments required over the next five years on outstanding loans exclusive of advances are as follows.

1977 - \$ 59,613  
 1978 - 64,666  
 1979 - 69,322  
 1980 - 74,145  
 1981 - 70,707

### 7. Recoveries of operating grants

Under the terms of the National Housing Act, a proportion, 50% or 75% of the deficits incurred in operating low rental housing projects, will be contributed by the Central Mortgage and Housing Corporation to the public housing agency incurring the deficits.

In 1976, the amounts recoverable under this legislation, together with some small amounts recoverable from municipalities where the projects were located, aggregated \$824,715 (\$646,244 in 1975).

The amount has been set off against total operating grants of \$6,449,891 in these financial statements leaving a net balance of \$5,625,176 (\$4,582,702 in 1975).

### 8. Lease commitments

The Corporation leases office space and apartment buildings under long-term contracts and is committed to rental payments of \$351,000 during each of the next five years.

## NOTES TO FINANCIAL STATEMENTS-SCHEDULE

### Investments in Projects December 31, 1976

	Housing Loans	Northern Rental Houses	Public Housing	Land Assembly	Senior Citizens Housing	Total 1976	Total 1975
Mortgages (Note 4)	617,434					617,434	649,882
Buildings - at cost		12,997,218				12,997,218	12,643,786
- at cost, less accumulated depreciation (Note 3)			9,989,657			9,989,657	5,086,886
Advances to Federal, Territorial, Municipal Housing Projects, at cost, less accumulated amortization (Note 3)			714,869		473,355	1,188,224	1,078,029
Construction in progress, at cost		422,331	14,681,919	\$452,605		15,556,855	9,001,260
Notes receivable (Note 2)	240,862					240,862	-
Purchase options (Note 2)			87,000			87,000	-
Deposit on lease- purchase agreement						-	165,000
<b>Total 1976</b>	<u>\$858,296</u>	<u>\$13,419,549</u>	<u>25,473,445</u>	<u>\$452,605</u>	<u>\$473,355</u>	<u>\$40,667,250</u>	<u>\$28,624,843</u>
<b>Total 1975</b>	<u>\$649,882</u>	<u>\$13,354,349</u>	<u>\$14,175,751</u>	<u>\$-</u>	<u>\$444,861</u>	<u>\$-</u>	<u>\$28,624,843</u>

## HOUSING CORPORATION OFFICES

### Frobisher Bay

Box 418  
Telephone 979-5266

### Inuvik

Box 2200  
Telephone 979-2890

### Hay River

Box 1750  
Telephone 874-6396

### Cambridge Bay

Box 98  
Telephone 983-2276

### Rankin Inlet

General Delivery  
Telephone 645-2826

### Yellowknife

Box 2100  
Telephone 873-3405

### Photo Credits

Page 2

Department of Information,  
Government of the Northwest Territories

Page 5

Ronne Hemming - Outcrop

Page 6

1. Janice Laycock - NWTHC
2. Dave Barr - NWTHC
3. Wayne Wilkinson - NWTHC

Page 7

1. Dave Barr - NWTHC
2. Dave Barr - NWTHC
3. Tapwe Chretien - Northern Breed