

Annual Report

2023-2024



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Message from the Minister

Lucy Kuptana

Minister Responsible for Housing NWT

As Minister Responsible for Housing NWT, I am proud to present Housing NWT's 2023-2024 Annual Report. The territory is experiencing a significant period of change – economically, politically and environmentally. These changes each have an impact on housing in the Northwest Territories. Given the vastness of the territory it is recognized that no single government can address the growing housing need. Housing NWT is responding to those changes by strengthening its established partnerships with the Federal Government, Indigenous and municipal governments and community groups.

New direct Federal funding to Indigenous governments, also known as distinction-based funding, is increasing housing solutions across the territory and changing how Housing NWT does business, for the better. In some cases, Housing NWT no longer takes the lead, instead offering to play a supporting role. This is true of the seven Community Housing Plans (CHP) completed as of this year. Housing Plans identify a community's most extreme housing needs while looking at data gaps and addressing land tenure. Hay River's recently completed Five-Year Community Housing Plan addresses the regional centre's need for housing for teachers and nurses, while in K'ásho Goṭ'ineṅ (Fort Good Hope) and Pehdzéh Kǻ (Wrigley) home repairs are the priority. Rest assured, the 20th Assembly of the Northwest Territories knows the prosperity of this unique territory depends on people having safe homes for families and elders, while businesses have accommodations to attract workers.

The Government of Canada remains Housing NWT's greatest financial partner. During 2023-2024 Housing NWT received over \$55 Million towards the construction of a 50-unit energy-efficient public housing apartment building in Yellowknife, the renovation of a 36-unit apartment building for use in the public housing program in partnership with the City of Yellowknife, the delivery of 17 public housing replacement units outside the City, as well as several modernization and improvement repair projects across the territory.

I am also pleased to report that the Yellowknives Dene First Nation has been named the first Indigenous co-chair of the NWT Housing Forum. The NWT Housing Forum arose from the Housing NWT Renewal Strategy and replaces the Council of Leaders Housing Working Group. The Forum is yet another example of Housing NWT's commitment to reconciliation between Indigenous people as specified in the Truth and Reconciliation Commission's Calls to Action.

In addition, Housing NWT continues to be proactive in responding to climate change risks. To ensure that Housing NWT's housing portfolio is resilient and responsive to these changes, Housing NWT is committed to advancing its adaption and mitigation efforts through a multi-year climate change risk assessment project and an energy management strategy.

As we continue our work with the 20th Assembly, I welcome our continued partnerships with Indigenous and community governments. Our role is to share the vision of a safe and prosperous Northwest Territories where residents have the tools, such as housing, to realize their full potential while capitalizing on new opportunities to achieve self-sufficiency.

Quyanainni,



Honourable Lucy Kuptana
Minister Responsible for
Housing Northwest Territories



Message from the President

Eleanor Young

President & CEO of Housing NWT

Our 33 communities are unique, and so are their housing needs. I am delighted this year's Annual Report reflects Housing NWT's response to our ever-changing operational and environmental landscapes.

Whether it's a scarcity of housing, aging infrastructure or rising interest rates, the North's housing crisis does have similarities to the rest of Canada. There are significant differences, however, such as the increased costs of building and maintaining properties in a geography as isolated as ours.

To meet this challenge, we are finding Northern-designed solutions. Through collaboration and coordination with Indigenous governments, community governments and the private sector, Housing NWT has attracted significant federal investments in housing, we have made more land available for development, and we have increased the number of public housing units. Making progress in addressing the housing crisis is critical to both the present and future prosperity of the NWT.

As always, there are challenges and rewards. Despite the wildfires during 2023 and bargaining season disruptions, Housing NWT did manage to significantly advance the delivery of the remaining 100 additional public housing units as part of initiative committed by the 19th Assembly. These units represent the largest increase in Housing NWT's public housing stock in decades.

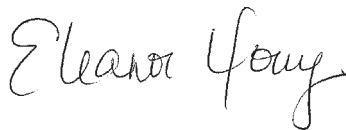
It's not only buildings that I am proud of. Housing NWT, through its suite of homeownership programs also delivered close to \$10 million of support for preventative maintenance, emergency repairs, fuel tank replacements and accessibility modifications for private households in the 2023-24 fiscal year.

Improving our communications efforts was also a focus this past year. Sometimes there is uncertainty about the role of tenants, the Local Housing Office, and the Office of the Rental Officer. One of our new communication tools, the Tenant Handbook, explains the rights and responsibilities of public housing tenants and landlords under the Residential Tenancies Act. The handbook is written in plain language and explains expectations around rent, security deposits, maintenance and disturbances.

Another source of pride is Housing NWT's continued partnership with Habitat for Humanity. Habitat NWT supports homeowners to obtain affordable mortgages while having them provide volunteer hours to support the installation of their homes. As one of the financial contributors to Habitat NWT, we invested in three Habitat homes in 2023-24. These new builds, like others that have come before them over the last ten years, are the foundation of safe, vibrant communities that enhance economic growth and business development. Organizations like Habitat for Humanity allow us to increase housing availability across our territory. I am always pleased when partnerships like this help residents reach their housing goals. I have personally attended many key ceremonies where these Habitat clients are welcomed into their new homes, and I am excited to attend more in the next few years.

My deepest appreciation goes to the staff of Housing NWT and all our partners working in service of Northwest Territories residents. Their collective dedication allows the Government of the Northwest Territories to promote a culture of accountability, innovation and continuous improvement and work in true partnership with our Indigenous government, Local Housing Organization and Non-Government Organization partners. I remain committed to Housing NWT's mandate of providing safe, affordable housing to those most in need while coming up with fiscally responsible and environmentally sustainable solutions to the territory's chronic housing shortfalls.

Sincerely,



Eleanor Young
President & CEO
Housing Northwest Territories

Introduction

Housing Northwest Territories (Housing NWT) is required to publish an Annual Report which includes information on milestones from the past year, funding, revenues, expenses, an independent audit report of the Auditor General and consolidated financial statements. This Annual Report will be tabled at the Legislative Assembly by the Minister Responsible for Housing NWT.



Ulukhaktok, NWT
Photo Credit: Tessa Macintosh

This report outlines the priorities of Housing NWT and its alignment with the 19th Legislative Assembly mandate commitments. The report also highlights the achievements of Housing NWT throughout the 2023-2024 fiscal year.

The Government of the Northwest Territories Open Government Policy states that “the Government of the Northwest Territories is committed to transparency and accountability through public access to government data (Open Data) and information (Open Information), and public engagement on government decision-making (Open Dialogue) in a way that is responsive to the needs and expectations of the residents of the Northwest Territories.” This Annual Report fulfills the commitment under the Open Government Policy 11.54 to increase government transparency and accountability by proactively making government information available to the public (subject to identified restrictions), while maintaining the government’s responsibility towards privacy, security and legal obligations.

Driving Factors

Housing NWT priorities and actions are guided and driven by the mandate commitments and priorities of the Legislative Assembly, Housing NWT’s Renewal Strategy and Housing NWT’s mandate.



Housing NWT Mandate

Mission

Increasing the well-being of individuals and communities by providing fair access to quality housing support for people most in need.

Vision

We are a respected partner in providing effective housing support for people most in need.

Values

Client-Focused

- We are fair, respectful, and compassionate.
- We recognize that everyone has a unique lived experience that may include past trauma.
- We communicate clearly and often.

Collaboration

- We look for and accept opportunities to collaborate.
- We recognize that greater success comes from working together.
- We take steps to build and maintain partnerships.

Accountability

- We are accountable to our clients, to our employees, to our partners and to the public for our conduct and our use of public resources.
- We are transparent.
- We look for accountability in others.

Innovation

- We strive to continue to improve.
- We are creative, adaptable, and flexible.
- We measure our effectiveness.

Reconciliation

- We acknowledge the Indigenous inherent right of self-government.
- We engage with Indigenous governments on a government-to-government basis.
- We educate ourselves about the NWT's history of colonization.
- We strive for cultural appropriateness in our work.

Sustainability

- We look for environmental and fiscal sustainability in all aspects of our work.

19th Legislative Assembly Mandate

Over the past year, Housing NWT was guided by the 19th Legislative Assembly's mandate that reflects the 22 priorities set by the Members of the Legislative Assembly. The mandate helps to guide and focus the work of the government and to deliver on the priorities over the term of the government.



The coast line of Ulukhaktok, NWT

Increase the number of affordable homes and reduce core housing need

- Increase the stock of quality, energy efficient and affordable housing, especially for vulnerable persons, by 100 units over four years.
 - Work with partners, including the federal and Indigenous governments, to increase funding for housing programs.
 - Work with the private sector and Indigenous governments to improve the availability of private market and public housing options.
 - Address home repair barriers to assist low-income seniors and disabled individuals with aging in place.
 - Improve the availability of educational resources, building materials, and repair services in remote communities.
- Transition 100 individuals and/or families to home ownership.
 - Increase options to sell or lease-to-own existing housing units.

Increase employment in small communities

- Increase seasonal, part-time, and full-time employment in small communities by 125.
 - Amend Housing NWT policies to allow appropriate home business opportunities within their units.
- Support small communities in developing skilled tradespeople.
 - Housing NWT will leverage opportunities that encourage residents of small communities to learn a trade.

Advance universal childcare by increasing availability and affordability

- Increase availability and reduce the costs of childcare in communities.
 - Amend our income assistance and housing programs to allow for delivery of licensed childcare programs.

Enable seniors to age in place with dignity

- Increase supports for seniors to stay in their homes and communities.
 - Amend Housing NWT policies to allow more low- income seniors access to housing supports.

Increase the number and variety of culturally respectful, community-based mental health and addictions programs, including aftercare

- Improve services for individuals with addictions to reduce number of returns to treatment and increase length of time between treatments.
- Increase access to transitional housing for those returning from addictions treatment.

Housing NWT Renewal Strategy

The Government of the Northwest Territories' (GNWT) Mandate for 2019-2023 includes several actions related to housing. On March 4, 2021, the Legislative Assembly passed a motion calling for a change in the mission of the Northwest Territories Housing Corporation, now Housing NWT. To address the need and demands for change, the Renewal Strategy acknowledges existing sources of direction and presents practical actions to build on the successes of Housing NWT while setting the stage for success in the future.



Tuktoyaktuk, NWT
Photo Credit: Tessa Macintosh

Purpose

Mandate

- Refocus Housing NWT on its role in the delivery of social housing.
- Clarify Housing NWT's role with respect to homelessness.
- Renewed focus on delivery of programs to those who need them most.
- Clarify the role of the Housing NWT vis-a-vis Indigenous governments, the NGO sector, and communities – to confirm how Housing NWT fits within the broader landscape of housing in the NWT.

People

Organizational Change

- Clarify the role of the Local Housing Organization (LHO) Boards and examine whether local/regional boards or other structures would be most effective in supporting future program delivery.
- Ensure that LHO boards and staff are supported in their delivery of Housing NWT programs, and that the duties of LHOs are understood and clearly set out in Community Housing Service Agreements.

Programs

Program and Policy Review

- Review Housing NWT programs and policies in light of any changes to the mission and any strategic goals.
- Housing NWT programs and policies need to be fair, transparent, and internally coherent and the criteria for deciding on applications should be published.
- Re-establish annual intake periods for programs instead of year-round intakes, to ensure that applications are compared on a fair basis and decisions align with procurement for the ensuing work season.
- Innovating in construction programs taking into account:
 - Cultural appropriateness
 - Energy efficiency, climate change and greenhouse gas reduction
 - Changing technology and demographics
- Maximize economic and training opportunities for money spent on housing.
- Trades training and contracting practices.
- Encourage innovation in program design.

Partnerships

Indigenous Governments and Organizations

- Move from a competitive to a collaborative approach to getting funding to the NWT to serve NWT citizens.
- Promote reconciliation, recognizing that choices about housing location and type have been a tool of colonization in the NWT in the past.
 - Engage with Indigenous governments on the type and location of housing within their communities, including resolving land tenure issues.
 - Advance self-government, even where Indigenous governments have not yet chosen to exercise their law-making powers under a self-government agreement (Tłıchǫ Government, Déjıne Ǿo'ıne Ǿovernment).
 - Where the Indigenous Government is not the lead proponent of a community housing plan, ensure that the Indigenous Government is engaged and supportive of the Community Housing Plan initiative and that it continues to be part of future implementation of community housing plans.
- Recognize the unique needs and aspirations of Indigenous Government partners and communities, and take concrete steps to address them.
 - Promoting linkages with Community Housing Plans already underway.
 - Use the Community Housing Support Program as an opportunity to partner with Indigenous governments to achieve priority projects.

Government of Canada

- Continually improve working relationship and communication with federal departments and agencies, with focus on Canada Mortgage and Housing Corporation (CMHC), Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and Indigenous Services Canada (ISC).
- Consistent with desire expressed by the NWT Council of Leaders, facilitate and advocate for NWT Indigenous Government access to distinctions-based funding.
- Recognize that Canada is a necessary partner in ensuring the sustainability of housing programming in the NWT.
- Promote solution to declining operations and maintenance funding.
- Clearly communicate the unique needs and challenges of housing in the NWT.
- Clearly acknowledge and celebrate federal government successes where a GNWT need has been met.
- Where there are mutual interests, work tri-territorially with Canada on Northern issues.

GNWT Departments and Agencies

- Improve collaboration and information sharing with GNWT departments and agencies, including Aurora College, on matters including:
 - Homelessness
 - Integrated service delivery
 - Land tenure issues
 - Home insurance
 - Trades apprenticeships
 - Training for Housing NWT and LHO staff
 - Staff market rental needs

Community Governments

- Engage with community governments and the Northwest Territories Association of Communities (NWTAC) on how to improve communications and working relationships related to housing development in NWT communities.
- These conversations may include multiple partners and stakeholders around such issues as:
 - Community planning and development
 - Access to adequately serviced and zoned land for housing development
 - Homelessness
 - Development/implementation of community housing plans

Non-Government Organizations

- Work to strengthen collaboration with the NGO sector of the NWT, particularly those organizations that are already proven partners of Housing NWT (YWCA, Habitat for Humanity).

Industry

- Work to facilitate private industry, and in particular northern businesses, to play a greater role in addressing the housing shortage.

Corporate Structure

Corporate Summary

Housing NWT offers many programs and services across housing types that support renters and homeowners in city centres, rural areas, and remote communities. Our policies and programs are developed to address the core housing needs of NWT residents and promote self-reliance while reflecting the unique housing challenges of each community. Across the territory, we use energy-efficient technologies when designing new housing or retrofitting existing housing to improve sustainability. We also partner with the Canada Mortgage and Housing Corporation (CMHC) to share the cost of housing infrastructure development and improvement. At the community level, we work with Local Housing Organizations (LHO) and municipal and Indigenous governments to manage and provide housing services in all 33 communities.

What are core housing needs? Core housing need refers to a household that does not meet one or more of the following standards: affordability (cost of living), adequacy (home condition), or suitability (overcrowding). Additionally, the household must have a total income below the Core Need Income Threshold (an amount available online for each NWT community).



Affordable Housing

A household that spends less than 30% (about one-third) of its total income on housing costs, including utilities, rent or mortgage payments, insurance, and taxes.



Adequate Housing

A household with running water, an indoor toilet, bathing and washing facilities, and one that does not require major repairs.



Suitable Housing

A household with enough bedrooms for its occupants, based on the National Occupancy Standards.

Branches

The Executive

Our Executive branch manages the implementation of the GNWT direction related to housing. It is made up of the President's Office and the Policy and Planning Division.

The President's Office

The Minister Responsible for Housing NWT is supported by the President's Office. It provides overall strategic and operational direction, leads the senior management team, and manages the human and financial resources of Housing NWT.

Policy and Planning Division

The Policy and Planning Division supports our long-term strategic direction and planning. It is responsible for strategic and business planning, policy development, research, corporate communications, and homelessness initiatives. The division also represents Housing NWT at the federal, provincial, and territorial levels, as well as on interdepartmental working groups and other committees.

Finance and Infrastructure Services

Our Finance and Infrastructure Services branch includes the Finance and Administration Division, Financial Planning Section, Infrastructures Services Division, and Occupational Health and Safety Section.

Finance and Administration Division

The overall financial affairs of Housing NWT are the responsibility of the Finance and Administration Division. This includes accounting and advisory services, reporting and monitoring, treasury services, mortgage administration, and managing own source revenues and federal funding.

Financial Planning Section

The Financial Planning Section develops our infrastructure, revenues, and operations budgets, including our annual business plan and main estimates, as well as ongoing variance analysis and reporting.

Infrastructure Services Division

The Infrastructure Services Division is responsible for planning, designing, and coordinating Housing NWT's capital infrastructure projects. It advises on and supports our homeownership project delivery, secures suitable land for our housing programs and services, and does overall maintenance management of our housing portfolio.

Occupational Health and Safety Section

The ongoing modernization of Housing NWT's Occupational Health and Safety Program is the responsibility of the Occupational Health and Safety Section, which works closely with headquarters, District Offices, and Local Housing Organizations.

Programs and District Operations

Our Programs and District Operations Branch provides corporate support and oversight to Housing NWT's five District Offices in delivering programs and services to NWT residents. This includes developing, implementing, delivering, and monitoring programs and initiatives that address housing needs in the NWT, ensuring consistent program delivery and implementation.



Tufit'a, NWT

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 so that housing programs stay updated and responsive and that District Offices and LHOs have the support, training, and capacity to deliver our programs and services effectively and efficiently.

District Operations

District Offices are responsible for the administration of district capital and program delivery. They work closely with leaders and residents at the community level and play an important role in land acquisition and development, maintenance, and training. District Offices work with LHOs and NWT residents to identify program options that help individuals and families meet their housing needs. This assistance includes delivering Housing NWT's Homeownership Initiative, Home Purchase Program, Home Repair Program, Mobility Modifications, Emergency Repairs, Fuel Tank Replacement, Seniors Aging in Place, Seniors Home Repair, and Preventative Maintenance programs.

North Slave District Office

This District Office supports the communities of Behchokò, Dettah/Ndilo, 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, Déjıne, Fort Good Hope, Norman Wells, and Tułıt'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)

We administer approximately 3,000 housing units in 31 communities in partnership with 24 LHOs and community organizations. LHOs work as agents of Housing NWT and are responsible for the administration of public and affordable housing rental units in most communities across the NWT. The LHOs, under agreement with Housing NWT, provide property management services that include allocating units, assessing rent, collecting rent, and providing preventative and demand maintenance services.

Each LHO has an advisory board that oversees its operations. Our District Offices are responsible for these operations in communities without an LHO.

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

Community	Local Housing Organization
Aklavik	Aklavik Housing Association
Behchokò	Behchokò Kò Gha K'àodèè
Colville Lake	Housing NWT Sahtú District Office
Déjine	Déjine Housing Association
Dettah/Ndilo	Yellowknives Dene Band Housing Division
Enterprise	Housing NWT South Slave District Office
Fort Good Hope	Rádeyǫǫ Kóé Housing Association
Fort Liard	Fort 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	Housing NWT South Slave District Office
Kát'odeeche First Nation	Hay River Housing Authority
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
Tuńt'a	Tuńt'a Housing Association
Ulukhaktok	Ulukhaktok Housing Association
Wekweèti	Housing NWT North Slave District Office
Whati	Whati Housing Authority
Wrigley	Fort Simpson Housing Authority
Yellowknife	Yellowknife Housing Authority

Programs

Rental Programs

Public Housing

Our Public Housing Program was developed under the Social Housing Agreement between Housing NWT and the Canada Mortgage and Housing Corporation. It is a rental program for individuals and families who do not have the financial resources to access shelter on their own, providing residents in need with income-based subsidies for housing rental. This means the cost of rent is based on the household's total income.

Financial, administrative, maintenance, construction, and repair support are provided to community partners who deliver the program on behalf of Housing NWT. We use management and services agreements with LHOs or community service organizations to manage our affordable housing portfolio. Approximately 2,500 public housing units across the NWT are operated by Housing NWT and managed by LHOs and community organizations.

Canada-NWT Housing Benefit

The Canada-NWT Housing Benefit (CNHB) is a funding program we administer that began on April 1, 2021. The CNHB provides a rental subsidy to assist with rental costs and is available to eligible applicants paying more than 30% of their gross income towards rent. It pays part of the difference between 30% of the household's income and the average market rent in the area, up to a maximum of \$800 per month. This benefit is not currently available to homeowners, residents in public housing, or people receiving income assistance.

Market Housing Program

A lack of market housing options in smaller NWT communities has made delivering GNWT programs and services challenging because of a housing shortage for critical community workers. Housing NWT operates several unsubsidized units under the Market Housing Program to support these non-market communities and their community workers. Under the program, we provide rental housing units at rental rates we set to increase housing availability.

Homeownership Programs

Housing NWT provides many opportunities for NWT residents to access support for homeownership. This includes programs that help residents purchase a modest private home, repair their homes to ensure a safe and healthy residence and increase their home's useful economic life, or access a rental program to experience the commitments required to be an effective homeowner.

The simplified structure of the homeownership programs offers flexible delivery options to NWT residents and meets the needs of seniors and those with mobility challenges. Our programs can provide financial assistance, but also use education and counselling to help residents become successful homeowners. Applications are accepted from April 1 to October 31 each year. One-on-one discussions between residents and Housing NWT staff are part of the application process and necessary to explore program requirements, help individuals identify their housing needs, and determine which program best fits an individual's or a household's needs.

Client counselling is required at all stages during our application process. It is necessary to give applicants relevant information like the Home Mobility Modification Agreement and homeowner responsibilities, such as the importance of home maintenance and home insurance.

All applicants must complete an application form with a representative from Housing NWT or its designated agent. Applicants are not permitted to complete the application on their own.

Homeownership Initiative

This initiative supports our objective of increasing private homeownership in rural and remote communities. A forgivable loan is available to eligible NWT residents living in non-market communities, which are communities other than Fort Simpson, Fort Smith, Hay River, Inuvik, Norman Wells, and Yellowknife. The Homeownership Initiative can provide support to families that have enough income to own and operate their own homes by:

- Converting Housing NWT's existing homeownership rental portfolio to homeownership units for eligible tenants who wish to become homeowners.
- Providing eligible public housing tenants in detached units operated by Housing NWT the opportunity to purchase their units and become homeowners if they have sufficient income to pay for the operating and maintenance costs.

Home Purchase Program

Our Home Purchase Program helps first-time homebuyers become homeowners by providing downpayment assistance. A forgivable loan of up to 5% is available to subsidize the costs of purchasing an existing modest home in the NWT's market communities of Fort Simpson, Fort Smith, Hay River, Inuvik, Norman Wells, and Yellowknife.

Preventative Maintenance Program

The Preventative Maintenance Program offers eligible households a forgivable loan to subsidize the costs of preventative maintenance checks and minor servicing or repairs that ensure a safe and healthy residence.

Seniors Home Repair Program

Financial assistance in the form of a forgivable loan is available to eligible senior homeowners so they can make necessary health and safety-related repairs to their existing homes.

Emergency Repair Program

Our Emergency Repair program gives eligible households short-term forgivable loans to address emergency health and safety repairs like freeze-ups and furnace failures that are urgently required to support the continued safe occupancy of the home.

Fuel Tank Replacement Initiative

This initiative gives eligible households a one-time forgivable loan to upgrade ageing above-ground fuel tanks in poor condition or not meeting current standards. The home must be the applicant's permanent, principal, and sole residence.

Mobility Modifications Program

A forgivable loan is available for eligible homeowners to improve the accessibility of their homes. This program helps fund home modifications that promote continued independent living for household members with a disability.

Seniors Aging in Place

Seniors Aging in Place helps seniors live independently for as long as possible in their communities. Eligible households can receive a forgivable loan to support repairs or upgrades that make their homes more efficient and less expensive to operate when it comes to heating, electricity, and water. Minor home adaptations like grab bars to improve accessibility and mobility are also eligible.

Homeownership Program Statistics

The following table shows the number of applications approved in 2023-2024 for homeownership programs offered through Housing NWT by District Office and for the entire territory.

Program	District					TOTAL
	Beaufort-Delta	Nahendeh	North Slave	Sahtú	South Slave	
	# of Approved Applications					
Seniors Home Repair Program	0	12	17	6	3	38
Preventative Maintenance Program	11	12	141	71	113	348
Mobility Modifications Program	5	0	2	0	4	11
Fuel Tank Replacement Initiative	19	10	15	11	14	69
Homeownership Initiative	16	2	11	3	1	33
Home Purchase Program	0	2	3	3	1	9
Emergency Repair Program	59	50	119	36	50	314
Seniors Aging in Place	70	10	79	6	25	190
TOTAL	180	98	387	136	211	1012

Homelessness Programs

Rapid Rehousing Program

Our Rapid Rehousing Program is a housing intervention designed to help individuals and families quickly exit homelessness and return to permanent housing. Its key components are:

- **Housing Identification:** Helping participants find suitable housing.
- **Rent and Move-In Assistance:** Providing financial support for rent and move-in costs.
- **Case Management:** Offering short-term, intensive case management services to help stabilize housing and connect participants to community resources.

The goal is to reduce the time people spend in homelessness, prevent returns to homelessness, and increase housing stability.

Emergency Overnight Shelters

Emergency overnight homeless shelters provide immediate, short-term accommodation for individuals and families experiencing homelessness. They typically offer:

- **Basic Shelter:** A safe place to sleep, usually on a night-by-night basis.
- **Basic Necessities:** Access to food, restrooms, and sometimes showers.
- **Safety:** A secure environment to protect individuals from the dangers of sleeping on the streets.
- **Support Services:** Limited access to support services such as referrals to more permanent housing solutions, medical care, and social services.

These shelters aim to provide temporary relief from homelessness while helping individuals and families connect to longer-term housing and support options. We support seven emergency shelters: three in Yellowknife, two in Inuvik, one in Fort Simpson, and one in Hay River.

Shelter Enhancement Fund

Our Shelter Enhancement Fund is a financial resource to improve the quality and capacity of emergency shelters for individuals and families experiencing homelessness. Key aspects include:

- **Facility Upgrades:** Providing funding for physical improvements to shelter facilities, such as renovations, repairs, and maintenance to make sure they are safe, sanitary, and comfortable.
- **Capacity Expansion:** Supporting projects that increase the number of available beds or expand the overall capacity of shelters to accommodate more people.
- **Accessibility Improvements:** Ensuring shelters are accessible to all individuals, including those with disabilities, by funding necessary modifications and compliance with accessibility standards.
- **Safety and Security:** Investing in measures to improve the safety and security of shelter environments, including the installation of security systems, better lighting, and staff training.
- **Quality of Life Improvements:** Enhancing the overall living conditions within shelters by providing funding for amenities such as laundry facilities, recreational areas, and communal spaces.

This funding is not for the ongoing operation and maintenance of shelters in the NWT.

Small Community Homelessness Fund

This fund is a financial resource designed to support homelessness prevention and intervention efforts in smaller or rural communities. Our goal with the Small Communities Homelessness Fund is to ensure that smaller and rural communities have the resources and support they need to effectively prevent and address homelessness, improving the quality of life for their residents and fostering more resilient communities.

Homelessness Assistance Fund

The Homelessness Assistance Fund provides financial assistance aimed at helping individuals and families at risk of losing their homes due to eviction. This fund provides emergency financial assistance to cover rental arrears, utility arrears, damage deposits, and the first month's rent. It also supports clients with travel assistance, when they need air travel to get to a community where they will no longer experience homelessness.

Housing First

We provide an ongoing financial contribution to support the sustainability of the Housing First program in Yellowknife. The goal of Housing First is to end homelessness by providing stable, permanent housing first, and then addressing the other needs of individuals and families through supportive services that improve their overall quality of life and well-being.

Northern Pathways to Housing

Housing NWT has developed Northern Pathways to Housing, a supportive housing program for adults experiencing housing instability to address homelessness in small communities. The program's goal is to stabilize individuals with housing and work with communities to develop wrap-around support systems to encourage the integration of these individuals into the community. We currently support four northern pathway projects, one in Aklavik, Fort Simpson, Behchokò, Fort Good Hope, and Yellowknife.

Partnerships

We are committed to building partnerships with Indigenous governments. When Housing NWT and an Indigenous government agree there is a need, we work collaboratively on formal arrangements that specifically address housing. These arrangements are tailor-made to each Indigenous government, building on any existing intergovernmental agreements.

Community Housing Plans

Community Housing Plans combine community values and priorities with housing data, statistics, and program information to create a comprehensive guide that better directs housing investment in the community. We support communities in various ways, including offering technical advice, planning assistance, and financial support to hire staff for recording information and gathering feedback. Additionally, we help organize community engagement events. Once the information is collected and priorities are set, a community housing plan is drafted, and we provide ongoing support for updates as needed. By the end of 2023-2024, nine communities had fully completed housing plans with the support of Housing NWT, while projects remain active in five other communities.

Community Housing Support Initiative

Our Community Housing Support Initiative funds community-based housing projects for municipalities and other community organizations. These projects contribute to delivering affordable, adequate, suitable, and culturally appropriate housing for families, seniors, and single-member households, or provide programs that promote community prosperity and the health and well-being of residents. During 2023-2024, this program supported over \$2.6 million in housing projects.

Climate Change Adaptation and Mitigation

Housing NWT advanced climate change mitigation and adaptation projects throughout 2023-2024.

This includes securing funding through CIRNAC's Climate Change Preparedness in the North program to undertake a multi-year climate change risk analysis project which will include adaptation measures to ensure safe and secure housing in the context of a changing climate.



New modular duplex in Colville Lake, NWT
Photo Credit: Housing NWT

Climate Change Risk Analysis

Through the Climate Change Preparedness in the North Program offered by Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), Housing NWT is initiating a multi-year project to undertake a comprehensive climate change risk analysis of its housing portfolio across all communities of the NWT. This analysis aims to identify vulnerabilities within our assets throughout the NWT and to develop strategic plans that enhance the resilience of our housing against climate change impacts. The results of this study will inform program development, strategic planning and assist in decision-making to ensure asset protection and sustainability amid varying climatic conditions. An important aspect of this project will be to compile the findings of the study into an informative and comprehensive package that can be shared publicly. This will include a set of relevant adaptation guidelines for future designs and renovations of northern housing.

Energy Efficient Housing Designs

Housing NWT's new construction delivery continues to utilize housing designs that are highly energy-efficient, targeting 20% greater than the buildings code's minimum requirements with the goal of reducing GHG emissions and lowering operational costs. Each building's design maximizes energy conservation through an optimized form and airtight envelope, which contributes to minimizing heat loss. This construction implements low-maintenance materials and systems and is designed for climate resiliency to maximize service life in our Northern context. High-performance insulation, siding, and roofing materials have been selected not only for their robustness, but also for their long-term durability in the face of potential climate change-induced events. These low-maintenance materials are specifically selected to withstand extreme weather conditions, ensuring the longevity of each unit.



New two storey duplex in Fort Smith, NWT
Photo Credit: Housing NWT



New modular fourplex in Nahanni Butte, NWT
Photo Credit: Housing NWT

Net-Zero Emissions Space Heating

In Fort Smith, Housing NWT worked in partnership with the Fort Smith Métis Council to construct a duplex which includes an electric boiler, a first for Housing NWT. This boiler will result in zero-emissions space heating since Fort Smith's grid is fed by hydropower. Housing NWT also has plans to continue to convert its fossil fuel appliances to biomass, with the ultimate goal of achieving net-zero emissions space heating in the NWT.

Biomass Study

In 2023-2024, Housing NWT continued working on a feasibility study for biomass district heating systems serving multiple buildings in numerous NWT communities, including Yellowknife, Inuvik, Hay River, and Fort Providence. The study will identify potential buildings for a wood pellet boiler retrofit, propose a design for the district heating system, and develop a capital and operating budget for each project. Housing NWT anticipates the study to be complete in 2025.

Cold-Climate Air-Source Heat Pump Project

Air-source heat pumps are a highly efficient way to heat a home using electricity. Plus, when they use a renewable source of electricity—like hydropower—they can practically eliminate GHG emissions related to home heating. Traditionally, however, air-source heat pump technology has not been well suited to the NWT's climate. In recent years, more and more cold-climate air-source heat pumps have come on the market, but there is still very limited information on how they work in the North and how well they interact with existing heating systems.

With financial support from the GNWT departments of Environment and Climate Change and Infrastructure, the Arctic Energy Alliance partnered with Housing NWT to install heat pumps and monitoring equipment in two public housing units in Yellowknife. Arctic Energy Alliance will continue to monitor this equipment over the coming winters to determine its suitability for the NWT.

Progress 2023-2024



Nahanni Butte, NWT
Photo Credit: Housing NWT

Housing Delivery Status Update

Increased advocacy efforts with the Federal Government during the 19th Legislative Assembly resulted in additional resources supporting a significant expansion of the capital delivery program for Housing NWT in the 2023-2024 fiscal year.

The capital delivery program in the 19th Legislative Assembly included a commitment to build an additional 100 new homes for the public housing program. These 100 units will diversify the types of housing available to NWT residents including 60 units in rural and remote communities designated for singles, 30 duplexes designed for families with flexibility to enable units to adapt to residents' changing needs, and 10 units designated for seniors in communities outside of our regional centres, in line with the GNWT's priority to support aging in place. These 100 units were funded with contributions from the Canadian Mortgage and Housing Corporation as well as Crown-Indigenous Relations and Northern Affairs Canada, two important GNWT partners in the housing space. This 100-unit public housing expansion represents the largest increase in public housing units that the territory has seen in decades, with units being built in communities across the NWT.

Despite significant schedule disruptions caused by an unprecedented wildfire season combined with lower water levels affecting the barging season, and through other various supply chain disruptions, the 100-unit delivery was significantly advanced during 2023-2024.

Program Updates

Solutions to Educate People

The removal of barriers to accessing programs has been an outcome of the Housing NWT Renewal. Previously, Solutions to Educate People (STEP) courses were required for applicants to Housing NWT's homeownership programs. These requirements became a barrier to clients successfully accessing these programs and because of that, the requirement for STEP courses has been removed in hopes in seeing an uptake of these programs and empower clients to own and operate their own homes.

Canada-NWT Housing Benefit Program Changes

Program changes to the CNHB program included an increase in funding for survivors of gender-based violence, seniors, and persons with disabilities. The two-year cap on the program was also eliminated, so residents can access this program for as long as they need it.

April 2023

Alfred Moses and Tom Williams Memorial Scholarships

In the spring of 2023, Housing NWT introduced two new scholarships in memory of Tom Williams and Alfred Moses that recognize and celebrate students who provide positive solutions to housing programs across the Northwest Territories (NWT).

These scholarships were named in memory of former Minister Responsible for Housing NWT Alfred Moses and former Housing NWT President and CEO Tom Williams. Mr. Moses served as Minister from April 2018 to September 2019. Mr. Williams was named President and CEO of Housing NWT in 2016 and held the position until 2021. Each demonstrated a commitment to addressing housing issues in the NWT and supporting the territory's youth.

In memory of Alfred Moses, six scholarships of \$1,000 each will be awarded to high school students entering post-secondary education. In memory of Tom Williams, six scholarships of \$1,000 each will be awarded to post-secondary students.

These 12 scholarships will be awarded annually, two in each Housing NWT district (Beaufort-Delta, Nahendeh, North Slave, Sahtu, South Slave) including two in Yellowknife. Scholarships are available to NWT students entering a field related to housing – this could range from a trade program like carpentry or plumbing, to formal programs in project management, communications, policy or finance.

Housing NWT already strongly supports the development of apprentices across the NWT in the maintenance trades and these new scholarships will provide additional support.



Alfred Moses



Tom Williams

Hay River Community Housing Plan

The town of Hay River and the GNWT announced the town's five-year community housing plan, designed to address the community's unique housing needs, increase housing supply, and improve affordability for residents.

Hay River's Community Housing Plan has been developed over a multi-year process, in collaboration with the Town of Hay River and Housing NWT. The goals and objectives in the plan reflect community needs and priorities shared by residents through multiple periods of engagement and review. A community Advisory Committee was established to guide and inform a 2021-2022 housing needs assessment and the development of the 2023 strategic housing plan.

The plan aims to improve housing outcomes and support residents of all ages, incomes, and abilities through housing policy and other actions. The plan sets a framework to implement and prioritize action-oriented strategies, providing guidance for decision-making. In addition, it will promote new partnerships and greater community awareness of housing issues and opportunities.



June 2023

NWT Housing Forum

As part of Housing NWT's Renewal Strategy, the GNWT and Indigenous governments have established an NWT Housing Forum to collaborate and share information on housing-related issues in the territory. The newly established Forum held its first meeting on June 9, 2023, where the Yellowknives Dene First Nation was selected as the first Indigenous co-chair.

The NWT Housing Forum is a body that replaces the Council of Leaders Housing Working Group. This guiding body will share information, discuss and advocate for improvements and changes to the NWT housing system, allow members to share their own housing-related plans, and find opportunities for collaboration.

Formalizing this group as the new NWT Housing Forum will build on an already strong foundation and ensure Indigenous governments have a strong voice in the housing needs of their communities. Housing NWT will use the Forum to seek input from members on potential changes to programs, policies, and legislation relating to matters within its mandate.

All NWT Indigenous governments that are members or eligible for membership in the NWT Council of Leaders are entitled to participate in the NWT Housing Forum.

Housing NWT will co-chair the Forum alongside an NWT Indigenous government – the first being the Yellowknives Dene First Nation. A new Indigenous government co-chair will be selected by all Indigenous government participants every two years.

The NWT Housing Forum will meet virtually four times a year, and schedule an in-person, symposium-style meeting every two years.



Aspen Apartments in Yellowknife, NWT
Photo Credit: Housing NWT

Aspen Apartments

On June 30, 2023, Housing NWT provided updates on the Aspen Apartments project. \$7.9 million in funding for the project was announced by Michael McLeod, Member of Parliament for Northwest Territories, the Honourable Paulie Chinna, Minister Responsible for Housing Northwest Territories and Minister Responsible for Homelessness and Rebecca Alty, Mayor for the City of Yellowknife. Following the completion of the renovation, 36 units will be available for the public housing program in Yellowknife.

The project will convert former federal staff housing into new permanent affordable homes. These new homes will help house Indigenous people, women with children and those who are experiencing or are at risk of experiencing homelessness. Once completed, these new homes will be owned and operated by Housing NWT.

The funding will enable Housing NWT to modernize the building including upgrades to life-safety systems and increased operating efficiency. These upgrades are expected to be completed by Fall 2025.

Reaching Home Announcement

Reaching Home: Canada's Homelessness Strategy is a community-based program with the goal of preventing and reducing homelessness in Canada. The program works with and provides support to communities across Canada in the hopes of addressing local homelessness needs.

A joint announcement for federal funding was made with Michael McLeod, Member of Parliament for Northwest Territories, on behalf of the Honourable Sean Fraser, Minister of Housing, Infrastructure and Communities, Paulie Chinna, Minister Responsible for Housing Northwest Territories, and Eleanor Young, President and CEO of Housing Northwest Territories.

The funding was announced through Reaching Home: Canada's Homelessness Strategy for two homelessness prevention projects in Indigenous communities.

Additional funding was provided by the Government of Canada to the Inuvik Homeless and Warming Shelters through Housing NWT. The funding will support Indigenous-focused programming, provides emergency shelter beds and referral services. These contributions represented over \$1.3 million in financial support for homelessness programming in the territory.



July 2023

Renewal & Credit Rating Pilot Program

As part of Housing NWT's Renewal Strategy, a pilot program was launched in Fort Resolution and Inuvik to enable public housing clients to receive a positive credit rating for making on-time monthly rent payments.

Clients can opt in to have their payments reported to credit bureaus, with only positive credit ratings disclosed. This pilot program began in July 2023, and if successful, Housing NWT aims to extend it to other public housing clients across the territory.

The benefit of participating in this program is the opportunity to build a positive credit score, which can help with future rentals and purchasing items that require a good credit rating.

This credit pilot program reflects Housing NWT's vision of providing innovative, client-focused services to public housing clients, helping to set them up for housing success.

New modular fourplex in Fort Providence, NWT
Photo Credit: Housing NWT



New modular duplex in Colville Lake, NWT
Photo Credit: Housing NWT



New modular fourplex in Fort Liard, NWT
Photo Credit: Housing NWT



October 2023

Nordic Arms

In Fall 2023, tenants moved into the Nordic Arms apartment building in Yellowknife. Housing NWT acquired Nordic Arms in March 2022.

Between March 2022 and May 2023, Housing NWT completed significant repairs to the building and modernized the building's life-safety systems including new sprinklers and fire alarm systems. Approximately \$300,000 of this renovation work was funded through a contribution from Finance Canada.

Housing NWT is committed to supporting economic prosperity and employment for NWT residents through investments like the renovation of Nordic Arms. It is a priority of ours to ensure that public funds maximize economic benefits for Northerners and support Northern businesses.

The purchase of Nordic Arms does not represent an overall increase to the number of public housing units in Yellowknife. Instead, a corresponding increase of private market rental units will become available as a result of a reduction in the number of Housing NWT's leased units for public housing programming.



Rapid Housing Initiative

The Prime Minister of Canada visited Yellowknife to announce, alongside Premier Cochrane, Mayor Alty, and Minister Chinna, the successful application for round three of CMHC's Rapid Housing Initiative. This resulted in a \$20 million contribution towards a modern and energy-efficient 50-unit mixed-use building in downtown Yellowknife for the public housing program.

Upon completion, the project will provide 50 new affordable housing units co-located in a mixed-use building, featuring public-facing housing services on the ground floor.

Design work for this project is now complete, with construction planned to begin by the end of 2024.



Mock-up of new 50-plex in Yellowknife, NWT
Photo Credit: Housing NWT

November 2023

Habitat for Humanity

No single government can effectively address housing issues in the Northwest Territories on their own, therefore, to be successful, our government continues to build partnerships with Indigenous governments, community governments, private companies, the Government of Canada, and non-governmental organizations, or NGOs.

One of Housing NWT's partnerships with a prominent non-governmental organization is with Habitat for Humanity. Habitat for Humanity is a global organization that works towards stable, affordable housing with the help of sweat equity. Housing NWT's partnership with them began in 2013 and three new homes were added to the project in Yellowknife in November 2023. Housing NWT committed \$50,000 towards the delivery of each of these new builds.



 **Habitat for Humanity**
Northwest Territories

Thank you to our sponsors and supporters who make our work possible and our community stronger.

New Habitat for Humanity home in Yellowknife, NWT
Photo Credit: Housing NWT

February 2024

Tenant Handbook

While working with stakeholders as part of the Strategic Renewal strategy, Housing NWT recognized the need for new tools to clarify its role and that of local housing organizations as landlords, as well as the rights and responsibilities of tenants in our units. As a result of these conversations and related recommendations, Housing NWT developed a Tenant Handbook to support clients across all areas of housing programs.

The Tenant Handbook supports tenants in public housing and increases education and awareness on the rights and responsibilities of tenants and landlords. Existing tenants will receive a copy, and new tenants will receive one as part of their check-in. The handbook explains the rights and responsibilities of public housing tenants, landlords, and agents involved in public housing in the NWT under the Residential Tenancies Act and related regulations. The handbook is written in plain language and covers a wide range of topics such as: moving into a public housing unit; rent and security deposits; care of your unit; safety resources and understanding the processes if a tenant is not compliant with their tenancy agreement.



Forgiveness

The following chart shows mortgage and rental loan forgiveness amounts by community for the entire territory. The forgiveness of a debt or obligation owed to a public agency must be report in the annual report of that fiscal year.

Type of obligation	Community	Amount, \$
Morgage	Aklavik	10,993
	Déjîné	297,032
	Fort Good Hope	31,033
	Fort Liard	52,078
	Fort McPherson	49,197
	Fort Simpson	58,224
	Hay River	145,454
	Inuvik	479,694
	Kátł'odeeche First Nation	56,937
	Łutselk'e	4,503
	Tuktoyaktuk	1,616
	Ulukhaktok	46,634
Wrigley	1,800	

Rental Arrears	Aklavik	5,915
	Behchokò	171,994
	Déjine	1,556
	Fort Resolution	22,242
	Fort Simpson	5,893
	Fort Smith	38,632
	Hay River	43,951
	Inuvik	78,305
	Łutselk'e	8,554
	Ndilo	30,751
	Norman Wells	24,795
	Paulatuk	25,533
	Sachs Harbour	22,841
	Tuktoyaktuk	28,738
	Tulita	24,165
	Ulukhaktok	21,737
	Yellowknife	183,960

TOTAL
\$ 1,974,755

New two storey duplex in Hay River, NWT
Photo Credit: Housing NWT



New modular fourplex in Deline, NWT
Photo Credit: Housing NWT



New modular fourplex in Tuktoyaktuk, NWT
Photo Credit: Housing NWT



New modular fourplex in Fort Resolution, NWT
Photo Credit: Housing NWT



Appendix A: Management Discussion and Analysis – Fiscal Year 2023-2024



Managing Risks

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

Climate Change

Weather events brought on by climate change, including but not limited to low water levels of rivers and lakes used for barge deliveries of materials and supplies, wildfires, and permafrost degradation, have increased impact on regular operations and capital delivery through increased supply chain challenges and additional costs. Housing NWT continues to consider these factors in planning its programs and services delivery as well as managing cash flow and budgets. Looking toward to the future, Housing NWT has developed a 2030 Energy Management Strategy that has set out specific goals and actions that Housing NWT will be taking to help mitigate these risks into the future.

CMHC Funding

Base operational and maintenance (O&M) funding for public housing operations from Canada Mortgage and Housing Corporation (CMHC) reduces annually and will reach 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.

A multi-year bilateral agreement with CMHC, in support of the National Housing Strategy, provided an additional nine years (2019/20 – 2027/28) of federal funding certainty that will assist Housing NWT in responding to the territory's housing priorities, including helping to mitigate the continued annual decline in CMHC O&M funding for public housing operations.

Another mitigation strategy to help offset CMHC's declining O&M funding is the Royal Canadian Mounted Police (RCMP) market housing initiative. This initiative involves the delivery of 45 additional market housing units for RCMP Members stationed throughout the NWT; scheduled for full delivery by 2024-2025. This initiative not only increased the availability of market housing units for the territory but also generated additional own source revenues for Housing NWT to help mitigate declines in CMHC O&M funding.

CIRNAC Funding

During 2023-2024, Housing NWT signed a funding agreement with CIRNAC providing an additional \$30 million in federal funding for further investment in new public housing infrastructure and operational requirements. The delivery of these new energy efficient public housing units will not only assist Housing NWT in preserving the public housing stock, but also help manage on-going operating costs.

Core Need (Quality of Housing and Affordability)

The level of core housing need in the NWT, according to the *2019 NWT Community Survey*, is 23.6%. To assist in addressing this situation, Housing NWT continues to support capital investments to replace and to retrofit older and less energy-efficient housing units. In addition to these housing stock investments, Housing NWT continues to deliver a wide range of housing programs for private homeowners. For example, the Canada-NWT Housing Benefit Program continues to assist renters in keeping their rental costs affordable and the Securing Assistance for Emergencies (SAFE) repair program continues to provide financial assistance to low to moderate-income households to help address their emergency home repairs.

Utility Costs

Housing NWT 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, Housing NWT ensured the energy efficiency standards for new construction met, or exceeded, Energy Guide for Housing (EGH) 80 design standards. Housing NWT 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. Housing NWT continues to work with community governments to identify and develop suitable land for residential construction and ensures compliance with zoning bylaws and local development approval processes.

Credit Risk

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

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

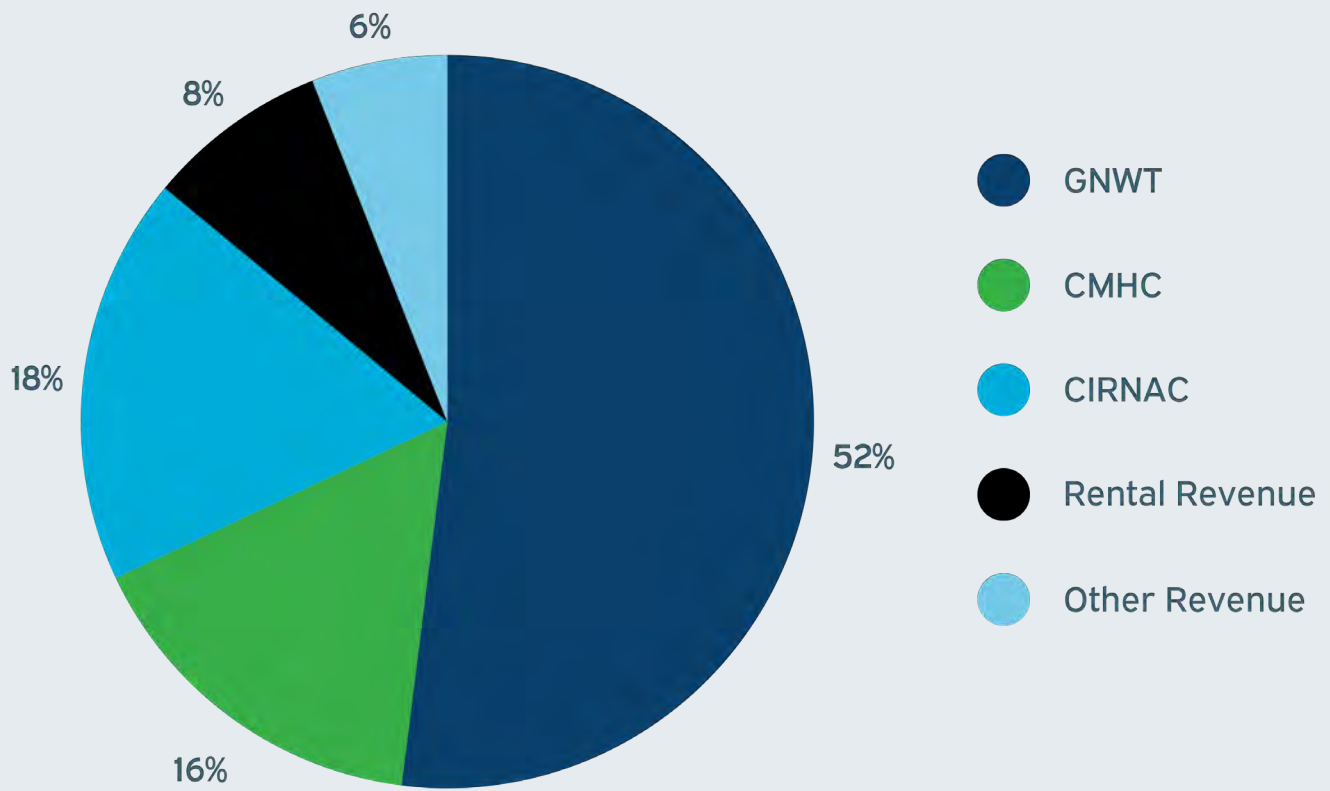
Financial Results

Revenues

The total revenues for Housing NWT in 2023-2024 were \$167.5 million, an increase of \$7.2 million from the previous year's total of \$160.3 million.

Government funding from the GNWT, CMHC, CIRNAC and other transfers increased by approximately \$4.4 million, from \$140.4 million to \$144.8 million. This was primarily due to funding received from CMHC under Federal Land Initiative through the transfer of the Yellowknife Aspen apartment building valued at \$4.2 million to Housing NWT.

Revenue generated from operations amounted to \$22.7 million in 2023-2024, an increase of \$2.8 million over the \$19.9 million in revenue generated in 2022-2023. This increase was primarily related to additional investment income derived from short term cash resources being used for the delivery of multi-year capital projects and higher interest rates in 2023-2024.



Expenses

Housing NWT's total expenses for 2023-2024 were \$127.4 million, \$2.4 million increase over the 2022-23 year's expenses of \$125 million.

The cost of operating the Public Housing program this past year increased by \$1.6 million or approximately 2% primarily due to the loss of assets due to wildfires in 2023. The Public Housing program costs continue to be the largest component of Housing NWT's expenses, representing 57% of the annual expenses, including amortization.

Expenses for the HELP and market housing programs including amortization were \$11.3 million in 2023-2024, an increase of \$0.1 million over 2022-2023 expenses of \$11.2.

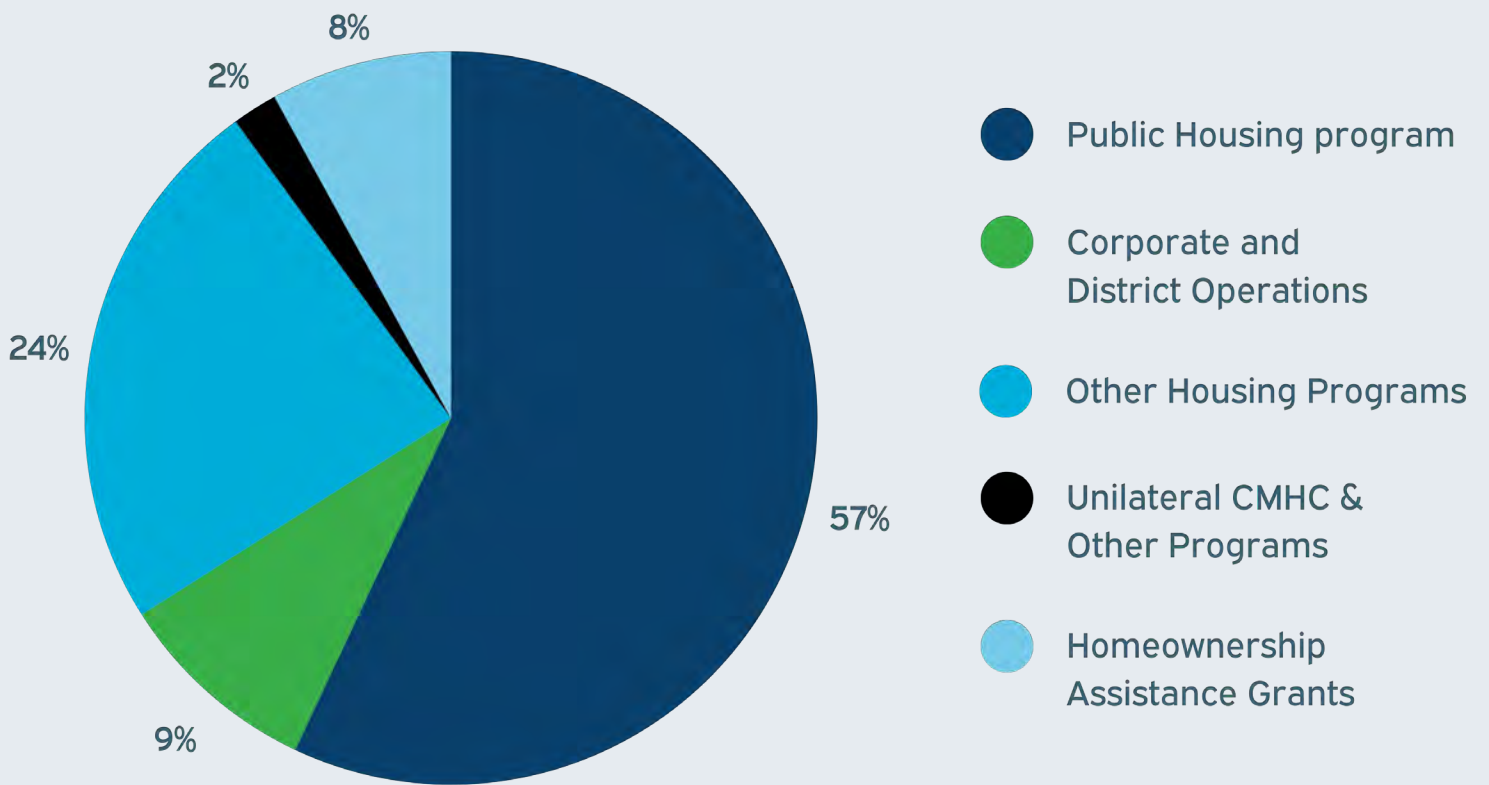
Homeownership assistance grants were \$10 million in 2023-2024, a decrease of \$0.2 million from the previous year's amount of \$10.2 million. This program funding supports private households in purchasing and repairing their homes. This decrease in 2023-2024 was attributable to factors, such as unawarded contracts due to excessive costs and capacity of contractors to complete the work.

Homelessness assistance grants were \$7.3 million, an increase of \$1.3 million or 23% over previous year's amount of \$6.0 million. This program funding supports homelessness grants and contributions. Over \$0.8 million increase is attributable to operating the Inuvik Shelters with own forces and \$0.5 million of additional funding for the Northern Pathways to Housing Program.

Rent subsidy program grants were \$0.4 million, a decrease of \$0.7 million or 64% under previous year's amount of \$1.1 million. This funding provides rent assistance grants to renters in the private market. This decrease is due to the program being under subscribed in 2023-2024.

Housing NWT expensed \$22.6 million on Housing Operations and Support in 2023-2024, an increase of \$0.4 million or 2% from the \$22.2 million expended in 2022-2023. Costs include program development and delivery and technical and administrative support for both the district offices and headquarters. This increase is primarily attributable to increased chargebacks from the GNWT Technology Services Centre, additional training costs and the purchase of special equipment and computers.

The acquisition or construction of new housing assets and the renovation of existing housing is typically funded by the GNWT, CMHC, CIRNAC and Housing NWT's own source revenues. During the year, revenues, including Housing NWT generated revenues, exceeded operating expenses resulting in an annual surplus of \$40.2 million. This surplus goes towards resourcing the delivery of Housing NWT's multi-year capital projects.



Financial Position

Housing NWT continued to maintain a sound financial position in 2023-2024, with net financial assets of \$ 66.1 million, a \$ 10.1 million increase from the \$56 million in 2022-23. This increase is mainly due to \$35.1 million increase in cash and portfolio investments, offset by \$24.6 million increase in deferred revenue, \$5.6 million decrease in account receivables, and \$3.6 million decrease in account payables and \$1.6 million decrease in asset retirement obligation (ARO). The ARO is a non-cash adjustment to reflect future obligation to retire hazardous materials. This year's adjustment was primarily a result of using a higher discount rate in 2023-2024 compared to the previous year offset by additional obligations resulted from the acquisition of the assets subject of future remediation costs. The 2023-2024 deferred revenue adjustment primarily relates to CMHC funding received under the Rapid Housing Initiative for the multi-year delivery of Yellowknife capital projects involving the construction of a new 50-unit public housing apartment and the renovation of an existing 36-unit apartment building for use in the public housing program.

Housing NWT recognizes the importance of having sufficient net financial assets to address contractual obligations and to complete the implementation of priority housing projects and initiatives.

The cash and cash equivalents balance of \$88.4 million (\$61.7 million on March 31, 2023) represents the March 31, 2024, bank balance for 23 LHOs and Housing NWT. Housing NWT invests excess cash flow in portfolio investments that meet the terms of the investment policy. As of March 31, 2024, \$70.4 million (\$62 million on March 31, 2023) was invested in portfolio investments with a weighted average rate of return of 3.4% (2.87% in 2022-2023). These investments continue to be liquidated to support Housing NWT's capital delivery and other program needs.

Since 2012, Housing NWT has been assisting mortgage program participants in restructuring their loans. This approach has assisted homeowners in satisfying their mortgage payment obligations while supporting the on-going delivery of housing programs and services. The total mortgage and loans receivable balance decreased from \$3.8 million as of March 31, 2023, to \$3.3 million as of March 31, 2024, due to approved forgiveness adjustments in 2023-2024.

Investment in Housing

As of March 31, 2024, Housing NWT had \$406.2 million of investments in land and buildings and other property and equipment, representing the amortized book value of owned public housing, homeownership rentals, and market rental units. During the year, Housing NWT acquired \$48 million in tangible capital assets.



Ulukhaktok, NWT
Photo Credit: Tessa Macintosh

Appendix B: Independent Auditor's Report and Consolidated Financial Statements

**Housing Northwest Territories
Consolidated Financial Statements
March 31, 2024**

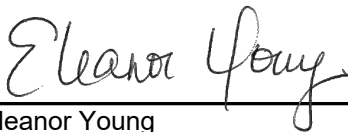
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 Housing NWT 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 Housing NWT's statutory requirements and policies.

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

On behalf of Housing NWT



Eleanor Young
President and CEO



Jim Martin, FCPA, FCGA, MBA, MA
Vice President
Finance and Infrastructure Services



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Housing Northwest Territories

Opinion

We have audited the consolidated financial statements of Housing Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2024, 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 2024, 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.

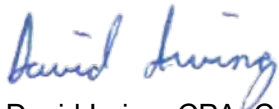
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
26 August 2024

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Financial Position

As at March 31, 2024

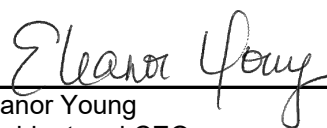
(in thousands)

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 88,415	\$ 61,748
Portfolio investments (Note 3)	70,426	61,964
Accounts receivable (Note 4)	11,197	16,828
Mortgages and loans receivable (Note 5)	<u>3,258</u>	<u>3,783</u>
	<u>173,296</u>	<u>144,323</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	28,706	32,273
Deferred revenue (Note 7)	24,924	326
Loans and mortgages payable to CMHC (Note 8)	3,286	3,984
Environmental liabilities (Note 10)	1,095	967
Retirement, post-employment, and other leave benefits	2,268	2,197
Asset retirement obligations (Note 9)	<u>46,931</u>	<u>48,552</u>
	<u>107,210</u>	<u>88,299</u>
Net financial assets	66,086	56,024
Non-financial assets		
Tangible capital assets (Schedule A)	406,155	375,375
Inventories held for use	2,464	2,731
Prepaid expenses	<u>74</u>	<u>485</u>
	<u>408,693</u>	<u>378,591</u>
Accumulated surplus	<u>\$ 474,779</u>	<u>\$ 434,615</u>
Contractual rights, contractual obligations and contingencies (Notes 13, 14 and 15)		

Approved by:



Hon. Lucy Kuptana
Minister Responsible for Housing Northwest
Territories



Eleanor Young
President and CEO

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

(in thousands)

	2024	2024	2023
	Budget	Actual	Actual
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 82,469	\$ 87,046	\$ 88,869
CMHC (Note 11)	20,872	26,511	20,566
CIRNAC (Note 12)	30,000	30,050	30,000
Other grants and transfers	-	1,235	968
	<u>133,341</u>	<u>144,842</u>	<u>140,403</u>
Generated revenues:			
Rental revenue	11,673	13,505	14,159
Recoveries from mortgages and loans	475	258	807
Income from portfolio investments	440	6,195	3,160
Other revenue and recoveries	419	2,691	1,721
Interest revenue on mortgages and loans	90	55	82
	<u>13,097</u>	<u>22,704</u>	<u>19,929</u>
	<u>146,438</u>	<u>167,546</u>	<u>160,332</u>
Expenses (Note 16)			
Public housing program	76,576	72,714	71,068
Unilateral CMHC programs and other programs	2,572	2,588	2,386
HELP and market housing	8,877	11,285	11,186
Non-residential building operations	372	473	897
Rent subsidy program	2,583	382	1,054
Homelessness fund program	4,252	7,339	5,961
Homeownership assistance grants	16,784	9,966	10,188
Housing operations and support	22,103	22,635	22,234
	<u>134,119</u>	<u>127,382</u>	<u>124,974</u>
Annual surplus	<u>\$ 12,319</u>	<u>\$ 40,164</u>	<u>\$ 35,358</u>
Accumulated surplus, beginning of year	<u>434,615</u>	<u>434,615</u>	<u>399,257</u>
Accumulated surplus, end of year	<u>\$ 446,934</u>	<u>\$ 474,779</u>	<u>\$ 434,615</u>

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Change in Net Financial Assets For the year ended March 31, 2024 (in thousands)

	2024	2024	2023
	Budget	Actual	Actual
Net financial assets, beginning of the year	\$ 56,024	\$ 56,024	\$ 55,057
Items affecting net financial assets:			
Annual surplus	12,319	40,164	35,358
Acquisition of tangible capital assets (Schedule A)	(10,625)	(48,962)	(51,895)
Amortization of tangible capital assets (Note 16, Schedule A)	15,900	12,809	12,896
Proceeds from disposal of tangible capital assets	-	-	357
Loss on disposal of tangible capital assets and write-down	-	1,537	150
Asset retirement cost adjustment (Note 9)	-	3,836	4,952
Other transfers	-	-	(280)
Acquisition of inventories held for use	-	(1,987)	(2,080)
Consumption of inventories held for use	-	2,254	1,878
Acquisition of prepaid expenses	-	(51)	(439)
Consumption of prepaid expenses	-	462	70
Increase (decrease) in net financial assets	17,594	10,062	967
Net financial assets, end of the year	<u>\$ 73,618</u>	<u>\$ 66,086</u>	<u>\$ 56,024</u>

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Cash Flow For the year ended March 31, 2024 (in thousands)

	2024	2023
Operating transactions		
Annual surplus	\$ 40,164	\$ 35,358
Items not affecting cash:		
Amortization of tangible capital assets	12,809	12,896
Accretion of asset retirement obligations	2,215	1,687
Non-cash other grants and transfers	(4,985)	(280)
Loss on disposal of tangible capital assets and write-down	1,539	150
Non-cash portfolio investment income	(382)	-
Non-cash mortgage funding adjustments	19	113
Change in valuation allowance	368	34
	11,583	14,600
Change in non-cash assets and liabilities:		
Change in accounts receivable	5,185	(10,702)
Change in inventories held for use	267	(202)
Change in prepaid expenses	411	(369)
Change in accounts payable and accrued liabilities	882	1,691
Change in deferred revenue	24,598	(33)
Change in environmental liabilities	128	54
Change in retirement, post-employment, and other leave benefits	71	(39)
	31,542	(9,600)
Cash provided by operating transactions	83,289	40,358
Capital transactions		
Acquisition of tangible capital assets	(48,427)	(45,479)
Proceeds from disposal of tangible capital assets	-	357
Cash used for capital transactions	(48,427)	(45,122)
Financing transactions		
Repayment of loans payable to CMHC	(698)	(661)
Cash used for financing transactions	(698)	(661)

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2024

(in thousands)

	2024	2023
Investing transactions		
Proceeds from sale of portfolio investments	8,000	6,522
Acquisition of portfolio investments	(16,002)	(31,000)
Repayments of mortgages and loans receivable	505	186
Cash used for investing transactions	(7,497)	(24,292)
Increase (decrease) in cash and cash equivalents	26,667	(29,717)
Cash and cash equivalents at beginning of the year	61,748	91,465
Cash and cash equivalents at end of the year	\$ 88,415	\$ 61,748

Total interest paid during the year was \$238 (2023 - \$276).

Total interest received during the year was \$5,813 (2023 - \$3,242).

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

Cash and cash equivalents are comprised of \$88,258 (2023 - \$60,170) of cash and \$157 (2023 - \$1,578) of cash equivalents.

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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

1. PURPOSE OF THE ORGANIZATION

(a) Authority and reporting entity

The passing of Bill 56 on April 1, 2023 to the *Northwest Territories Housing Corporation Act* resulted in renaming of that Act as well as the entity, to Housing Northwest Territories (“Housing NWT”). Housing NWT is a territorial corporation, established under the *Housing Northwest Territories Act* (the “Act”) and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, Housing NWT operates in accordance with its Act and regulations, the FAA, and any directives issued to it by the Minister responsible for Housing NWT. Housing NWT is exempt from income tax but is subject to Goods and Services Tax.

Housing NWT’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. Housing NWT 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

Housing NWT’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 Housing NWT and the LHOs which outline the roles and responsibilities of each party.

Housing NWT 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 Housing NWT 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 provision of asset retirement obligations, the valuation of tangible capital assets transfers, revenue recognition, the allowance for impaired mortgages and loans receivable, the allowance for tenant rent receivables, the useful lives of tangible capital assets, and contingencies.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (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 Housing NWT and the accounts of the following twenty-three LHOs, via consolidation, which are controlled by Housing NWT:

Aklavik Housing Association	Lutsel K'e Housing Authority
Behchokö Kö Gha K'òodèe	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort Liard Housing Authority	Radilih 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	Tulita Housing Association
Fort Smith Housing Authority	Ulukhaktok Housing Association
Gameti Housing Authority	Whati 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

i) Government transfers

Housing NWT receives funding for operating and capital purposes from the Government.

Housing NWT also receives funding from the Government of Canada 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 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.

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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

ii) General revenues

Under revenues there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in deferred revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

Rental income is comprised of rent charged to tenants for use of a housing unit. The service is provided over the month through use of the housing unit and is a separate performance obligation. Once the term of the month has passed, the performance obligation is fulfilled and the associated rent for that month is recognized as revenue. Amounts collected in advance of the related month are recorded as deferred revenue.

(d) Programs

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

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

ii) Contributions for unilateral Canada Mortgage and Housing Corporation (CMHC) programs and other programs

Housing NWT 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

Housing NWT, 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 Housing NWT. 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 and/or community of the applicant and are not expected to be repaid unless certain conditions are not met, and 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 recipient.

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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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. Any costs related to a mortgage or loan restructuring are expensed in the year of the restructuring.

Valuation allowances for impaired loans are established by management based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Mortgages are classified as impaired when Housing NWT no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to its net recoverable value. Valuation allowance writedowns are recognized when the loans have been deemed uncollectable. Valuation allowance recoveries are recorded when loans previously written down are subsequently collected or when loans revert to a performing status. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

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 Housing NWT to transfer ownership of the housing unit back to Housing NWT 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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Asset retirement obligations

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for Housing NWT to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an ARO incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an ARO are expected to occur over extended future periods. The discount rate used reflects Housing NWT's cost of borrowing associated with the estimated number of years to complete the retirement or remediation.

When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset and amortized consistent with the tangible capital asset policy discussed below. An ARO may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. Housing NWT recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. Housing NWT continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when made.

(j) Tangible capital assets

i) Land and buildings

Land and housing units constructed or purchased by Housing NWT are recorded at cost. Housing materials are also recorded at cost and included in work in progress.

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

When Housing NWT enters into lease agreements where the risks and benefits of ownership are transferred to Housing NWT, 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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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	

(k) 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.

(l) Employee future benefits

i) Pension Benefits

(a) Public Service Pension Plan

All eligible employees of Housing NWT 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 Housing NWT to cover current service cost. Housing NWT's contributions are charged as an expense on a current year basis and represent the total pension obligations. Housing NWT is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

(b) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the 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'òdèè	Inuvik Housing Authority
Deline Housing Association	Lutsel K'e Housing Authority
Fort McPherson Housing Association	Radlilh Koe Housing Association
Fort Resolution Housing Authority	Tulita Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gameti Housing Authority	

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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (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.

(m) 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. Housing NWT 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.

(n) Related party transactions

Housing NWT 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 Housing NWT. 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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Services provided without charge

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

(o) Adoption of accounting standard

Effective April 1, 2023, the Housing NWT adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The Section sets out general guidance for how entities recognize, measure, present and disclose revenue. Under the new accounting standard, there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied. PS 3400 has been applied prospectively to these financial statements and, as permitted by the transitional provisions, prior periods were not restated. The implementation of this new Section did not have a material impact on the financial statements of Housing NWT.

3. PORTFOLIO INVESTMENTS

	2024	2023
Marketable securities (fair value \$69,483; 2023 - \$60,281)	\$ <u>70,426</u>	\$ <u>61,964</u>

4. ACCOUNTS RECEIVABLE

	2024	2023
Tenant rents receivable, before allowance of \$10,061 (2023 - \$9,874)	13,363	12,559
Trade accounts receivable, before allowance of \$1,386 (2023 - \$1,205)	\$ <u>6,399</u>	\$ <u>4,667</u>
	19,762	17,226
Less allowance for doubtful accounts	<u>(11,447)</u>	<u>(11,079)</u>
	8,315	6,147
Receivables from CMHC	997	8,777
Receivables from Government of Canada	60	-
Receivables from related parties:		
Government of the Northwest Territories	<u>1,825</u>	<u>1,904</u>
	\$ <u>11,197</u>	\$ <u>16,828</u>

Tenant rents receivable of \$761 were forgiven (2023 - \$2,133) during the year.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

5. MORTGAGES AND LOANS RECEIVABLE

	2024	2023
Housing NWT's mortgages and loans to individuals are receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property, bearing fixed interest rates between 0.00% and 10.50% (2023 - 0.00% and 10.50%).	\$ 9,941	\$ 10,615
Less allowance for impaired mortgages and loans receivable	(6,683)	(6,832)
	\$ 3,258	\$ 3,783

There were 33 accounts forgiven in the current year totaling \$1,235 (2023 - 20 accounts totalling \$989).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 14,323	\$ 17,645
Contractor holdbacks	3,657	3,254
Wages and employee benefits	2,463	2,555
Damage deposits	2,553	2,537
Tender and security deposits	591	981
Accrued interest	51	61
Payables to related parties:		
Government of the Northwest Territories	5,068	5,240
	\$ 28,706	\$ 32,273

7. DEFERRED REVENUE

Deferred revenue of \$24,924 (2023 - \$326) is mainly comprised of CMHC Rapid Housing Initiative (RHI) - project stream to build a 50 unit apartment building in amount of \$19,141 (2023 - \$0), CMHC Rapid Housing Initiative (RHI) - city stream to repair a 36 unit apartment building in amount of \$4,885 (2023 - \$0), City of Yellowknife funding for housing units to be utilized in Transitional Housing Addictions Recovery Program (THARP) in amount of \$529 (2023 - \$0).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC

	2024		2023	
	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 2025 to 2039, at interest rates from 7.63% to 19.00% (2023 - 7.63% to 19.00%).	\$ 17,648	\$ (17,648)	-	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2023 - 6.97%). These loans are guaranteed by the Government.	6,498	(3,610)	2,888	3,441
Mortgages payable to CMHC for 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 1.01%, (2023 - 0.68% to 1.01%).	<u>398</u> <u>\$ 24,544</u>	<u>-</u> <u>\$ (21,258)</u>	<u>398</u> <u>\$ 3,286</u>	<u>543</u> <u>\$ 3,984</u>

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to Housing NWT 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 Housing NWT 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 Housing NWT would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by Housing NWT each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between Housing NWT and CMHC.

Had CMHC not funded the repayments of the debt principal and interests payable to CMHC, Housing NWT would have incurred additional interest expense of \$2,647 (2023 - \$2,785) and would have made additional principal debt repayments to CMHC of \$1,519 (2023 - \$1,402).

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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC (continued)

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

	Principal	Interest	Total
2025	\$ 711	\$ 207	\$ 918
2026	695	166	861
2027	638	126	764
2028	458	88	546
2029	324	58	382
2030-2033	460	65	525
	\$ 3,286	\$ 710	\$ 3,996

9. ASSET RETIREMENT OBLIGATIONS

AROs include estimated remediation costs to remove asbestos and lead from buildings. The amount recognized is the net present value of estimated future expenditures required to fund the decommissioning of the assets. The obligation is calculated using the current estimated costs to retire the asset inflated to the estimated retirement date and discounted to current present value. The retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the asset. Future retirement expenditures will be charged against the accumulated liability as incurred.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - \$90,773 (2023 - \$88,671)
- Expected timing of payments of the cash flow - asset removal and/or site remediation is expected to occur between 2026 and 2054 (2023 - 2025 and 2050) with the majority occurring after 2038 (2023 - 2037).
- The discount rate is the year-end cost of borrowing of 4.57% (2023 - 3.92%).
- The inflation rate is based on the Bank of Canada's targeted inflation rate of 2.00% (2023 - 2.00%).

This provision is highly sensitive to the discount rate and inflation rate used.

- A 1% increase in the discount rate would decrease the obligation by \$5,578
- A 1% decrease in the discount rate would increase the obligation by \$6,591
- A 1% increase in the inflation rate would increase the obligation by \$6,701
- A 1% decrease in the inflation rate would decrease the obligation by \$5,758

Following is a summary of the ARO:

	2024	2023
Opening Balance	\$ 48,552	\$ 51,817
Accretion expense	2,215	1,687
Valuation adjustment	(3,836)	(4,952)
Balance, end of year	\$ 46,931	\$ 48,552

The valuation adjustment is comprised of:

- \$4,401 decrease (2023 - \$4,717 decrease) due to 0.65% increase (2023 - 0.65%) in discount rate
- \$73 decrease (2023 - \$235 decrease) due to the disposition of assets where no remediation was required and the liability is now extinguished.
- \$638 increase (2023 - \$0) due to new liabilities incurred through acquisition of buildings.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

10. ENVIRONMENTAL LIABILITIES

Housing NWT has identified sixteen fuel spill sites and no other contaminated sites (2023 - sixteen fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were two sites (2023 - zero sites) closed during the fiscal year. Two new sites (2023 - two) were identified during the year. The liability is calculated as costs remaining to remediate the sites to the required environmental standard. The estimated amount of recoveries is nil (2023 - nil). Housing NWT has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. FUNDING FROM CMHC

	<u>2024</u>	<u>2023</u>
Funding from CMHC recognized as government funding under the:		
SHA:		
Contributions for public housing rental subsidies	\$ 6,861	\$ 7,415
Contributions to non-profit housing sponsor groups and cooperatives	3,251	3,406
Repairs, maintenance and other costs	1,909	1,047
Rapid Housing Initiative	1,660	-
Aspen Building	4,160	-
Bilateral Agreement	<u>8,670</u>	<u>8,698</u>
	26,511	20,566

Under the terms of the SHA, Housing NWT assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to Housing NWT to manage these programs. The SHA and the funding expire in 2039 (Note 13).

On April 1, 2018, Housing NWT signed the Bilateral Agreement under the 2017 NHS. 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 2023-2026 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. The Bilateral Agreement funding expires in 2028 (Note 13).

12. FUNDING FROM CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA (CIRNAC)

On May 10, 2023 (2023 - August 24, 2022), Housing NWT signed the CIRNAC Agreements with the Government of Canada to provide one-time funding in the amount of \$30,050 (2023 - \$30,000). Funding under these agreements are provided to assist with financing of expenditures related to infrastructure including housing needs.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

13. CONTRACTUAL RIGHTS

	Expiry Date	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030+</u>	<u>Total</u>
CMHC SHA	2039	\$ 9,659	\$ 8,394	\$ 7,346	\$ 5,753	\$ 4,377	\$ 16,388	\$ 51,917
CMHC Bilateral	2028	11,642	13,004	14,463	15,854	-	-	54,963
RCMP Lease	2044	1,635	1,635	1,635	1,635	1,635	22,046	30,221
Other Lease	2027	<u>337</u>	<u>261</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652</u>
		<u>\$ 23,273</u>	<u>\$ 23,294</u>	<u>\$ 23,498</u>	<u>\$ 23,242</u>	<u>\$ 6,012</u>	<u>\$ 38,434</u>	<u>\$137,753</u>

14. CONTRACTUAL OBLIGATIONS

Housing NWT 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 2025 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

	Expiry Date	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030+</u>	<u>Total</u>
Lease	2033	\$ 5,284	\$ 3,026	\$ 2,789	\$ 2,681	\$ 1,441	\$ 877	\$ 16,098
Construction	2025	<u>18,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,531</u>
		<u>\$ 23,815</u>	<u>\$ 3,026</u>	<u>\$ 2,789</u>	<u>\$ 2,681</u>	<u>\$ 1,441</u>	<u>\$ 877</u>	<u>\$ 34,629</u>

15. CONTINGENCIES

Housing NWT provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2024 a total of five (2023 - five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$151 (2023 - \$223). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028 (2023 - 2028).

Under the terms of the SHA with CMHC, Housing NWT 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 Housing NWT 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, 2024 was \$2,178 (2023 - \$3,236). 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 Housing NWT. The obligation under loan guarantees as at March 31, 2024 is nil (2023 - nil).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

16. EXPENSES BY OBJECT

	2024	2023
Amortization	\$ 12,809	\$ 12,896
Accretion of AROs	2,215	1,687
Compensation and benefits	34,419	33,313
Computer costs	57	90
Contract services	8,141	7,345
Controllable assets	352	271
Fees and payments	372	334
Grants and contributions	18,268	18,449
Interest on long-term debt	238	276
Loss on disposal of tangible capital assets	1,539	150
Materials and supplies	4,099	3,232
Minor modernization and improvements	4,512	7,605
Other expenses	1,860	1,186
Property taxes and land leases	2,706	2,506
Purchased services	587	1,066
Rental leasing	4,152	4,243
Travel	944	954
Utilities	30,066	29,337
Valuation allowances	46	34
	\$ 127,382	\$ 124,974

Public Service Pension Plan

Total employer contributions to the Public Service Pension Plan of \$1,431 (2023 - \$1,476) and to the NEBS of \$514 (2023 - \$488) were recognized as an expense in the current year. Total employee contributions were \$1,319 and \$515 respectively (2023 - \$1,362 and \$487).

17. FINANCIAL RISK MANAGEMENT

Housing NWT'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. Housing NWT has exposure to the following risks from its use of financial instruments:

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

17. FINANCIAL RISK MANAGEMENT (continued)

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. Housing NWT manages its liquidity risk by maintaining adequate cash balances and investing in money market instruments. These instruments are readily convertible into known amounts of cash. Housing NWT 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	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Accounts payable and accrued liabilities	\$ 28,706	\$ -	\$ -	\$ 28,706
Loans and mortgages payable to CMHC	<u>918</u>	<u>2,553</u>	<u>525</u>	<u>3,996</u>
Total financial liabilities	<u>\$ 29,624</u>	<u>\$ 2,553</u>	<u>\$ 525</u>	<u>\$ 32,702</u>

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Housing NWT is exposed to credit risk on its cash and cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

Housing NWT manages its credit risk on cash and cash equivalents and portfolio investments by dealing only with reputable and credit worthy financial institutions. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is \$158,841 (2023 - \$123,713).

In order to manage credit risk on accounts receivable, Housing NWT actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk in accounts receivable is \$11,197 (2023 - \$16,828).

In order to manage credit risk on mortgages and loans receivable, Housing NWT actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure to credit risk in mortgage and loans receivable is \$3,258 (2023 - \$3,783).

As at March 31, 2024, \$890 (2023 - \$995) of the impaired mortgages and loans are secured by homes Housing NWT 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, 2024, 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>	<u>Total</u>
Tenants rent receivable	\$ 564	\$ 439	\$ 7,516	\$ 420	\$ 8,939
Trade accounts receivable	83	-	316	162	561
Mortgages and loans receivable	27	-	-	1	28

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

17. FINANCIAL RISK MANAGEMENT (continued)

Housing NWT does not face cash flow interest rate risk on its loans payable to the CMHC because these interest rates are fixed for the full term of the loans. Because Housing NWT 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.

18. RELATED PARTY TRANSACTIONS

Housing NWT enters into transactions with related parties in the normal course of business under terms and conditions similar to those with unrelated parties. Balances receivable and payable resulting from transactions that Housing NWT had with related parties during the year are disclosed in Notes 4 and 6.

	<u>2024</u>	<u>2023</u>
Related party expenses		
Arctic Energy Alliance	\$ 50	\$ 50
Aurora College	10	1
Fuel Services Division	4,278	3,624
Government of the Northwest Territories Departments	4,345	4,260
Northwest Territories Power Corporation	<u>7,347</u>	<u>7,334</u>
	<u>\$ 16,030</u>	<u>\$ 15,269</u>

HOUSING NORTHWEST TERRITORIES

Consolidated Schedule of Tangible Capital Assets As at March 31, 2024 (in thousands)

	Cost				Accumulated amortization					Schedule A Net Book Value (NBV)	
	Opening balance	Acquisitions	Transfers	Disposal ⁽¹⁾	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2024	2023
Lands and Buildings:											
Land	\$ 10,971	\$ -	\$ 2,242	\$ (4)	\$ 13,209	\$ -	\$ -	\$ -	\$ -	\$ 13,209	\$ 10,971
Public Housing	433,282	-	35,421	(6,568)	462,135	214,842	7,515	(1,560)	220,797	241,338	218,440
HELP and market housing	121,941	-	18,260	(619)	139,582	42,483	4,415	(261)	46,637	92,945	79,458
Non-residential properties	6,237	-	-	(3)	6,234	3,462	135	-	3,597	2,638	2,775
Work in Progress	56,411	48,429	(56,890)	-	47,950	-	-	-	-	47,950	56,411
Sub-total	628,842	48,429	(967)	(7,194)	669,110	260,787	12,065	(1,821)	271,031	398,080	368,055
Property and equipment:											
Warehouses and offices	12,535	-	967	-	13,502	7,134	289	-	7,423	6,079	5,401
Mobile equipment	4,702	533	-	-	5,235	3,095	375	-	3,470	1,765	1,607
Leasehold improvements	1,739	-	-	-	1,739	1,610	26	-	1,636	103	129
Office furniture and equipment	6,073	-	-	-	6,073	5,894	53	-	5,947	126	179
Software	114	-	-	-	114	110	1	-	111	3	4
Sub-total	25,163	533	967	-	26,663	17,843	744	-	18,587	8,076	7,320
Total	\$ 654,005	\$ 48,962	\$ -	\$ (7,194)	\$695,773	\$ 278,630	\$ 12,809	\$ (1,821)	\$ 289,618	\$ 406,155	\$ 375,375

(1) Included in disposals is the asset retirement cost adjustment of \$3,778 (2023 - \$4,790).

(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$ 4,985 (2023 - \$nil)

(3) There were no capital leases as at March 31, 2024

