

YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2001

(audited)

YUKON HOUSING CORPORATION

Management's Responsibility for Financial Statements


The financial statements contained in this annual report have been prepared by Management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are Management's responsibility.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the by-laws of the Corporation.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Financial Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls, and other relevant financial matters. The Financial Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their acceptance.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing a report which is included with the financial statements. The Auditor General of Canada provides her report to the Minister responsible for Yukon Housing Corporation.


Vicki Hancock
President


Elaine Carlyle, CGA
A/Director, Finance and Administration

August 24, 2001



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister responsible for the
Yukon Housing Corporation

I have audited the balance sheet of the Yukon Housing Corporation as at March 31, 2001 and the statements of operations, equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Housing Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

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

A handwritten signature in black ink, appearing to read 'Ron Thompson'.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
August 24, 2001


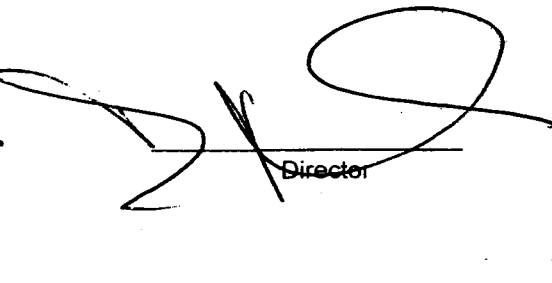
YUKON HOUSING CORPORATION

Balance Sheet
as at March 31, 2001

	2001	2000
	<i>(thousands of dollars)</i>	
ASSETS		
Current		
Cash (Note 3)	\$ 1,186	\$ -
Deposit on building purchase	-	509
Due from Canada Mortgage and Housing Corporation	281	281
Accounts receivable - other	518	421
Mortgages receivable - current portion (Note 4)	2,991	3,130
Housing held for sale (Note 5)	<u>2,652</u>	<u>3,025</u>
	7,628	7,366
Seniors' Housing Fund (Note 10)	366	-
Mortgages, agreements and loans receivable (Note 4)	39,116	32,853
Capital assets (Note 7)	<u>32,984</u>	<u>32,395</u>
	<u>\$ 80,094</u>	<u>\$ 72,614</u>
LIABILITIES		
Current		
Bank indebtedness (Note 3)	\$ -	\$ 1,929
Accounts payable	1,446	2,182
Due to Government of Yukon	557	662
Current portion of long-term debt (Note 8)	<u>2,261</u>	<u>2,081</u>
	4,264	6,854
Long-term		
Seniors' Housing Fund (Note 10)	366	-
Accrued employee future benefits	672	655
Deferred revenue	591	698
Deferred capital funding from Government of Yukon (Note 9)	8,041	8,682
Long-term debt (Note 8)	<u>47,069</u>	<u>38,263</u>
	61,003	55,152
EQUITY		
Equity of Government of Yukon	<u>19,091</u>	<u>17,462</u>
	<u>\$ 80,094</u>	<u>\$ 72,614</u>

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

Approved by the Board of Directors

Director
Director

YUKON HOUSING CORPORATION

**Statement of Equity of Government of Yukon
for the year ended March 31, 2001**

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Balance at beginning of year	\$ 17,462	\$ 15,965
Funding advanced from Government of Yukon (Note 11)	1,629	1,497
	<hr/>	<hr/>
Balance at end of year	<u>\$ 19,091</u>	<u>\$ 17,462</u>

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

YUKON HOUSING CORPORATION

Statement of Operations
for the year ended March 31, 2001

	2001	2000
	<i>(thousands of dollars)</i>	
Revenue		
Recoveries - Cost shared agreements	\$ 4,370	\$ 4,422
Rental income	2,578	2,607
Interest income	2,298	1,908
Recoveries - Prior year bad debts	187	25
Miscellaneous income	-	7
	<hr/>	<hr/>
	9,433	8,969
	<hr/>	<hr/>
Expenses		
Program costs (Schedule)	5,370	4,920
Personnel	3,399	3,505
Interest on long-term debt	2,632	2,658
Amortization	1,727	1,619
Administration (Schedule)	910	1,346
Loss (gain) on sale of housing projects	102	(30)
	<hr/>	<hr/>
	14,140	14,018
	<hr/>	<hr/>
Net results of operations before government funding	(4,707)	(5,049)
Government of Yukon funding		
Operating grant	3,688	3,815
Amortization of deferred capital funding	1,019	1,036
Deferred capital funding for assets disposed	-	198
	<hr/>	<hr/>
	4,707	5,049
	<hr/>	<hr/>
Net results of operations after government funding	\$ -	\$ -
	<hr/>	<hr/>

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

YUKON HOUSING CORPORATION

Statement of Cash Flows

for the year ended March 31, 2001

	<u>2001</u>	<u>2000</u>
		<i>(Restated - Note 17)</i>
		<i>(thousands of dollars)</i>
Cash flows from operating activities		
Net income from operations	\$ -	\$ -
Adjustment for non-cash items		
Increase in accrued employee future benefits	17	244
Decrease in deferred revenue	(107)	(81)
Amortization of capital assets	1,727	1,619
Amortization of deferred capital funding	(1,019)	(1,036)
Deferred capital funding for assets disposed	-	(198)
Loss (gain) on sale of housing projects	102	(30)
	<u>720</u>	<u>518</u>
 Changes in non-cash components of working capital	 (426)	 (2,547)
 Cash flows from (used in) operating activities	 <u>294</u>	 <u>(2,029)</u>
 Cash flows from investing activities		
Additions to housing projects	(218)	(403)
Additions to computer systems, furnishings, equipment and office building	(2,270)	(281)
Proceeds from sale of housing projects	70	236
Additions to mortgages and agreements receivable	(9,732)	(9,288)
Repayments of mortgages and agreements receivable	3,469	4,672
Decrease (increase) in deposit on building purchase	509	(509)
	<u>(8,172)</u>	<u>(5,573)</u>
 Cash flows used in investing activities		
 Cash flows from financing activities		
Transfer of land sales agreements from Government of Yukon	1,970	2,966
Repayment of long-term debt - rental housing units and office building	(886)	(670)
Repayment of long-term debt - other	(2,208)	(3,096)
Long term debt advanced from Government of Yukon	10,110	6,200
Funding for the acquisition of capital assets	378	661
Funding from Government of Yukon (Note 11)	1,629	1,497
	<u>10,993</u>	<u>7,558</u>
 Cash flows from financing activities		
 Increase (decrease) in cash	3,115	(44)
 Bank indebtedness at beginning of year	<u>(1,929)</u>	<u>(1,885)</u>
 Cash (Bank indebtedness) at end of year	<u>\$ 1,186</u>	<u>\$ (1,929)</u>
 Supplemental Disclosure of Cash Flows Information		
Interest paid	\$ 2,646	\$ 2,671
Interest received	2,259	1,853

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

YUKON HOUSING CORPORATION

Notes to Financial Statements

March 31, 2001

1. Authority and mission

Yukon Housing Corporation (the "Corporation") was established in 1972 by the *Housing Corporation Act* of the Yukon Territory to undertake and assist in the provision, development, maintenance and management of housing.

As reflected in the Corporation's Strategic Plan, the mission of the Corporation is to work in a fiscally responsible manner to resolve the housing needs of Yukoners and to strengthen the Yukon's economy through the housing sector by: helping the marketplace to work better; furthering the self-sufficiency of communities, industries and individuals; and assisting people where needed.

In carrying out its mission, the Corporation provides low rental housing, which generates operating losses. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow:

(a) Grant provided by Government of Yukon

The Housing Corporation Act authorizes the Government of Yukon to pay the Corporation an operating grant equal to its operating deficit. The operating grant is reflected as a reduction to the net loss from operations, in the statement of operations. The portion of the funding used to purchase depreciable assets is recorded as deferred capital funding and amortized on the same basis and over the same periods as the related capital assets. Funding provided in excess of the operating grant is recorded as equity.

(b) Mortgages, agreements and loans receivable

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Mortgages receivable under the Home Repair Program are stated at estimated realizable value after providing allowances for payment subsidies and unearned forgivable advances.

Mortgages receivable under the Home Ownership Program are fully secured and are recorded at cost. Based on historical loss experience and prevailing economic conditions, management does not consider it necessary to establish an allowance for credit losses.

Mortgages receivable under the Rural and Native Housing Home Ownership Programs are stated at book value. Under the Social Housing Agreement (SHA) signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership mortgage; CMHC annual cost-shared funding provided to the Corporation includes an amount for subsidies.

The land sales agreements, which pertain to loans receivable from lots sold to purchasers for residential, commercial and recreational purposes, are recorded at cost.

YUKON HOUSING CORPORATION

Notes to Financial Statements March 31, 2001

(c) Housing held for sale

The development of Mountain View Place, consisting of titled mobile housing lots, is valued at the lower of cost and net realizable value.

Housing held for sale includes houses repossessed under the Home Ownership Program and the Rural and Native Housing Home Ownership program. These houses are recorded at the lower of cost and net realizable value.

(d) Capital assets

Capital assets are valued at cost, net of contributions from outside agencies and accumulated amortization. Interest on loans during construction of capital assets is capitalized.

Social housing projects financed by long-term debt are amortized using the sinking fund method based on the principal repayment of the associated debt.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets (except social housing projects financed by long term debt as noted above):

Social housing projects not financed by long term debt	15 years
Staff housing projects and other facilities:	
Standard construction	35 years
Mobile home units	15 years
Computer systems	3 years
Furnishings and equipment	5 years
Office building	20 years

(e) Deferred revenue

Deferred revenue consists of funding received from Yukon Development Corporation to assist in funding a residential energy management initiative, and funding provided by Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement for future losses on interest and mortgage guarantees. Revenue for the energy management initiative is recognized as loan advances are given to clients, and CMHC funding will be recognized when losses are incurred on the interest and mortgage guarantees.

(f) Employee future benefits

Employee termination benefits

Under the conditions of employment, employees of the corporation may qualify for and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus and severance benefits. The benefit obligation was determined on an actuarial basis. The obligation for vacation leave, sick leave, and severance benefits was calculated using the projected benefit method pro-rated on service. The remaining obligation was calculated assuming all employees would receive the benefits on valuation date.

YUKON HOUSING CORPORATION

Notes to Financial Statements
March 31, 2001

(f) Employee future benefits (continued)

Pensions

The Corporation and its employees, who are employees of the Government of Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the Corporation's total pension obligation and are recognized on a current basis. The Corporation's contributions to the plan had been limited to an amount equal to the employee's contributions on account of current services until March 31, 2000. Effective April 1, 2000, the Corporation's contributions increased to 2.14 times the employees' contribution to reflect the full cost of the employer contributions. The Corporation is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Employer contribution	\$ 282	\$ 136
Employee contribution	<u>127</u>	<u>129</u>
Total contributions	<u>\$ 409</u>	<u>\$ 265</u>

(h) Management estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used when accounting for matters such as provision for subsidies on Home Repair Loans and Rural and Native Housing Home Ownership Loans, amortization, employee benefits, provisions and contingencies.

(i) Recoveries - Cost shared agreements

Under the Social Housing Agreement (SHA) signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation has entered into cost sharing agreements whereby operating deficits of certain housing projects are cost shared with CMHC. The Corporation has also entered into cost sharing agreements to share the operating deficits of certain housing projects with the City of Whitehorse.

3. Cash

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Cash	\$ 1,186	\$ -
Bank overdraft	-	429
Operating line of credit	-	1,500
	<u>\$ 1,186</u>	<u>\$ 1,929</u>

The Corporation has, if needed, an operating demand overdraft facility with its banker that allows the Corporation to borrow up to \$11,000,000 at bank prime. The bank prime rate at year end was 6.75% (2000 - 7.00%). The overdraft facility is guaranteed by Government of Yukon.

YUKON HOUSING CORPORATION

Notes to Financial Statements

March 31, 2001

4. Mortgages, agreements and loans receivable

	<u>Stated % interest rates</u>	<u>2001</u> <i>(thousands of dollars)</i>	<u>2000</u>
Mortgages Receivable			
Home Ownership	5.97 - 9.90	\$ 23,346	\$ 17,864
Loans with terms up to ten years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2010. Rural and Native Home Ownership mortgages receiving subsidies (see Note 2 b) at March 31, 2001 were \$2,962,000 (March 31, 2000 - \$3,318,000).			
Owner Build	0 - 7.30	2,221	1,249
Loans with a term up to five years, secured by registered charges against real property, at fixed rates of interest ranging from zero to the full Home Ownership mortgage rate with maturities up to 2006.			
Repair & Upgrade	2.00 - 8.25	8,850	9,255
Loans with terms up to ten years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2011. Mortgages receiving subsidies and forgiveness at March 31, 2001 were \$2,580,000 (March 31, 2000 - \$2,898,000)			
Energy Management	1.50 - 3.50	1,026	1,137
Loans with terms up to seven years, secured by registered charges against real property or chattel mortgages, repayable in blended monthly payments at fixed rates of interest with maturities up to 2008.			
Joint Venture	3.50 - 7.50	1,264	1,069
Loans with terms up to 14 years, secured by registered charges against real property or general security agreements, repayable in blended monthly payments at fixed rates of interest with maturities up to 2015.			

YUKON HOUSING CORPORATION

Notes to Financial Statements

March 31, 2001

	<u>Stated % interest rates</u>	<u>2001</u> <i>(thousands of dollars)</i>	<u>2000</u> <i>(thousands of dollars)</i>
Other mortgages Loans with varying terms, rates and maturities.	5.90 - 10.00	753	787
		<u>37,460</u>	<u>31,361</u>
Less: Allowances for valuation losses for Home Repair loans (Note 6)		<u>1,541</u>	<u>1,700</u>
Total mortgages receivable		35,919	29,661
Land sales agreements receivable Loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2006.	7.25 - 8.50	1,686	1,767
Loan receivable - Government of Yukon Repayable in blended monthly payments to the year 2028 at a fixed rate of interest.	7.05	4,502	4,555
		<u>42,107</u>	<u>35,983</u>
Total mortgages, agreements and loans receivable		42,107	35,983
Less: Current portion		<u>2,991</u>	<u>3,130</u>
		<u>\$ 39,116</u>	<u>\$ 32,853</u>

These investments earn interest at the following weighted average rates:

	<u>2001</u>	<u>2000</u>
Mortgages receivable	6.59%	6.22%
Land sales agreements receivable	8.01%	7.42%
Loan receivable - Government of Yukon	7.05%	7.05%

5. Housing held for sale

	<u>2001</u> <i>(thousands of dollars)</i>	<u>2000</u> <i>(thousands of dollars)</i>
Mountain View Place	\$ 1,960	\$ 2,285
Other housing inventory	<u>692</u>	<u>740</u>
	<u>\$ 2,652</u>	<u>\$ 3,025</u>

YUKON HOUSING CORPORATION

Notes to Financial Statements
March 31, 2001

6. Allowance for valuation losses on Home Repair Loans

	2001	2000
	<i>(thousands of dollars)</i>	
Payment Subsidies		
Balance at beginning of year	\$ 1,689	\$ 1,718
Provision for subsidies on loans advanced during current fiscal year	124	209
Principal subsidy paid during the year	(273)	(238)
Balance at end of year	1,540	1,689
Unearned Forgivable Advances	1	11
Total Allowances for Valuation Losses	\$ 1,541	\$ 1,700

7. Capital assets

	2001		2000	
	<i>(thousands of dollars)</i>			
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Social housing	\$ 33,015	\$ 10,417	\$ 22,598	\$ 23,712
Staff housing	11,323	4,260	7,063	7,280
Office building	1,743	133	1,610	-
Land	1,378	-	1,378	863
Computer systems	854	726	128	256
Other facilities	759	613	146	184
Furnishings and equipment	132	71	61	47
Leasehold Improvements			-	53
	\$ 49,204	\$ 16,220	\$ 32,984	\$ 32,395

In April 2001, the Corporation purchased the office building at 410 Jarvis Street, Whitehorse. This building had leasehold improvements which were made in prior years. The cost and accumulated amortization relating to these leasehold improvements are grouped with the office building beginning in 2001.

CMHC funding used to purchase capital assets is deducted from the cost of the asset. CMHC funding allocated to capital assets during 2001 was \$250,000 (2000 - \$250,000).

YUKON HOUSING CORPORATION

Notes to Financial Statements

March 31, 2001

8. Long-term debt

	Stated % interest rates	<u>2001</u> <i>(thousands of dollars)</i>	<u>2000</u> <i>(thousands of dollars)</i>
Mortgages Payable (guaranteed by the Government of Yukon) Loans with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2020.	5.35 - 12.50	\$ 22,191	\$ 22,768
CMHC Loans (guaranteed by the Government of Yukon) Loans repayable in blended annual payments at fixed rates of interest to maturity, and with maturities up to 2027.	5.00 - 13.25	4,871	5,011
Loans payable - Government of Yukon Repayable without interest in periodic installments to 2028.	0.00	20,200	10,446
Land sales agreements due to Government of Yukon Repayable without interest in equal periodic installments to 2006.	0.00	2,068	2,119
Total long-term debt		<u>49,330</u>	<u>40,344</u>
Less: Current portion		<u>2,261</u>	<u>2,081</u>
		<u>\$ 47,069</u>	<u>\$ 38,263</u>

The mortgages and loans payable bear interest at the following weighted average interest rates:

	<u>2001</u>	<u>2000</u>
Mortgages payable	8.30%	8.46%
CMHC loans	8.83%	8.83%

Principal repayments required over the next five years are as follows:

	<u>CMHC Loans</u>	<u>Mortgages</u>	<u>Government of Yukon Loans</u>	<u>Land Sales Agreements</u>	<u>Total</u>
	<i>(thousands of dollars)</i>				
2002	\$ 147	\$ 634	\$ 556	\$ 924	\$ 2,261
2003	161	689	556	362	1,768
2004	176	746	556	342	1,820
2005	192	810	556	276	1,834
2006	210	880	556	164	1,810

YUKON HOUSING CORPORATION

Notes to Financial Statements

March 31, 2001

9. Deferred capital funding from Government of Yukon

Deferred capital funding represents the unamortized portion of Government of Yukon funding used to purchase depreciable capital assets.

Changes in the deferred capital funding balance are as follows:

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Balance at beginning of year	\$ 8,682	\$ 9,255
Add funding used to purchase depreciable capital assets	378	661
Less amortization	(1,019)	(1,036)
Less unamortized funding on assets disposed of during the fiscal year charged to operations	0	(198)
Balance at end of year	<u>\$ 8,041</u>	<u>\$ 8,682</u>

10. Seniors' Housing Fund

The Seniors' Housing Fund was established under section 7 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000.

The Seniors' Housing Fund receives funding from the Government of Yukon through an annual appropriation and an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held within the Fund. The Corporation has not yet secured Government of Yukon approval on the parameters for the operation of the fund; there have been no payments made out of the Fund.

Changes in the Seniors Housing Fund are as follows:

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Balance at beginning of year	\$ -	\$ -
Government of Yukon appropriation	250	-
Government of Yukon appropriation equal to interest revenue earned on Green Mortgage Program	115	-
Interest revenue earned on monies held within the Fund	1	-
Balance at end of year	<u>\$ 366</u>	<u>\$ -</u>

YUKON HOUSING CORPORATION

Notes to Financial Statements
March 31, 2001

11. Funding advanced from Government of Yukon

	2001	2000
	<i>(thousands of dollars)</i>	
Cash advances from Government of Yukon	\$ 6,060	\$ 5,973
Operating grant	(3,688)	(3,815)
Funding used to purchase capital assets (Note 9)	(378)	(661)
Funding invested in Seniors' Housing Fund	(365)	-
	\$ 1,629	\$ 1,497

12. Financial instruments

The fair values of the financial instruments were determined using the present value of future cash flows discounted at the March 31, 2001 average market rate for mortgages and loans with similar maturities.

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The carrying amount and estimated fair values of the financial instruments are as follows:

	2001		2000	
	<i>(thousands of dollars)</i>			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term investments				
Mortgages receivable net of allowances for valuation losses on Home Repair loans	\$ 35,919	\$ 34,921	\$ 29,661	\$ 27,379
Land sales agreements receivable	1,686	1,437	1,767	1,499
Loan receivable - Government of Yukon	4,502	4,057	4,555	3,632
	\$ 42,107	\$ 40,415	\$ 35,983	\$ 32,510
Long-term debt				
Mortgages payable	\$ 22,191	\$ 22,874	\$ 22,768	\$ 21,915
CMHC loans	4,871	5,386	5,011	5,104
Loans payable - Government of Yukon	20,200	8,316	10,446	3,670
Land sales agreements due to Government of Yukon	2,068	1,795	2,119	1,826
	\$ 49,330	\$ 38,371	\$ 40,344	\$ 32,515

These financial instruments do not have active markets. The fair value of these instruments may not reflect realizable amounts.

Credit risk

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are the result of transactions incurred in the normal course of business and have no significant credit risks.

Credit risk arises from the possibility that borrowers may default on their contractual obligations.

YUKON HOUSING CORPORATION

Notes to Financial Statements
March 31, 2001

13. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations and agencies. In addition to those related party transactions, disclosed elsewhere in these financial statements, the Corporation enters into transactions with related entities in the normal course of business.

14. Commitments

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Outstanding contractual obligations to complete the funding of mortgages receivable as at March 31.	\$ 1,032	\$ 1,802
Purchase of Head Office building at 410 Jarvis Street in Whitehorse. A deposit of \$509,000 was made towards the building in February 2000 and is included in the purchase price shown. The purchase was completed in April 2000.	-	1,900
Subsidies to private non-profit organizations	930	946

15. Mortgage guarantees

The cost of house construction often exceeds the market value of that house in Yukon communities. Canada Mortgage and Housing Corporation provides mortgage insurance for up to 95% of the market value of a new home. Under the Extended Mortgage Guarantee Program, the Corporation will insure for up to 95% of the cost of a new house, therefore enabling rural Yukon residents to have access to insured mortgage financing.

The contingent liability for mortgage guarantees under this program as at March 31, 2001 is \$296,000 (2000 - \$296,000).

YUKON HOUSING CORPORATION

Notes to Financial Statements
March 31, 2001

16. Government of Yukon transfer payments

The following table reconciles funding provided by the Government of Yukon as shown in these financial statements to that recorded by the Government in its Public Accounts.

	<u>2001</u>	<u>2000</u>
	<i>(thousands of dollars)</i>	
Operating deficit	\$ 4,707	\$ 5,049
Less amortization	(1,727)	(1,619)
Less Program costs - Other		
Home Repair mortgage valuation expense	(124)	(210)
Non-recoverable land development costs	(245)	(113)
Housing project improvements	(3)	(26)
Add Seniors housing Fund investment - Government of Yukon appropriation	115	-
	<u>\$ 2,723</u>	<u>\$ 3,081</u>
Government of Yukon - Operations and maintenance transfer payment		
Program costs - Other		
Home Repair mortgage valuation expense	124	210
Non-recoverable land development costs	245	113
Housing project improvements	3	26
Add Seniors housing Fund investment - Government of Yukon appropriation	250	-
Add funding provided to repay principal portion of long term debt	886	670
Add funding provided to purchase depreciable capital assets (Note 11)	378	661
Add funding provided to purchase non-depreciable capital assets	-	15
Less funding refunded for net book value of assets disposed	(379)	-
	<u>\$ 1,507</u>	<u>\$ 1,695</u>
Government of Yukon - Capital transfer payment		

17. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

YUKON HOUSING CORPORATION

Schedule of Program Costs and Administration Expenses
for the year ended March 31, 2001

	<u>2001</u>	<u>2000</u>
		<i>(restated Note 17)</i>
		<i>(thousands of dollars)</i>
Program costs		
Housing Operations		
General maintenance	\$ 1,282	\$ 1,082
Utilities	1,139	1,060
Subsidies - Private non-profit	808	853
Direct lending program administration	610	509
Property taxes	544	499
Property rentals	260	275
Garbage collection and janitorial	165	160
Housing program administration	89	83
Bad debts - housing operations including rental tenants	58	34
Insurance	42	16
	<u>4,997</u>	<u>4,571</u>
Other		
Non-recoverable land development costs	246	113
Home Repair mortgage valuation expense	124	210
Housing project improvements	3	26
	<u>373</u>	<u>349</u>
	<u>\$ 5,370</u>	<u>\$ 4,920</u>
Administration expenses		
Rentals - office and equipment	\$ 237	\$ 338
Computer services	212	127
Professional fees	120	394
Travel and transportation	118	184
Communications	87	92
Office and sundry	60	54
Program promotion	44	103
Boards and committees	32	54
	<u>\$ 910</u>	<u>\$ 1,346</u>

YUKON HOUSING CORPORATION

Schedule of Bad Debt Write-offs and Forgiveness for the year ended March 31, 2001

Tenant Receivables Written Off

		Invoice Date
Close, K.	\$ 1,054	1986
Laferriere, Mark	1,313	1987
Collie, Barry	1,925	1988
Blanchard, Mary	1,480	1988
Delaronde, Ted	1,119	1989
McLean, Jack	4,400	1989
Richardson, Richard	1,030	1989
Skookum Darlene & Eddie	1,072	1991
Johnny, Irene	3,005	1991
Steriah, Rusell	1,380	1991
Hagen, Barb	699	1991
Asp, Rosemary	711	1991
TosczaK, Jan	665	1991
Mercier, Bonnie	1,034	1992
Zurschmiede, Merilyn & Gaven, Wayne	1,342	1993
Hager, Richard	6,922	1993
Douville, Alice & Bosely, Buzz	1,892	1993
Smith, Josphene	518	1993
Taylor, Tracy	1,463	1994
Roberts, James	1,076	1994
Vanbibber, Doug	2,610	1994
Charlie, Rita	528	1994
Johnson, Lori Ann	564	1994
Benham, Karen	683	1994
Hart, Karen	693	1994
Porter, Kim	722	1994
Scheffen, Cindy	603	1994
Hanna, Jackie (Dyanne)	710	1994
Kelly, George & Cunningham, Shannon	1,296	1995
Zagar, Tony	2,136	1995
Grimi, Phil	1,041	1995
Pidgeon, Derek & Mahaffe, Penny	1,334	1995
Fields, Earl & Eileen	4,345	1995
Sulyma, Nicole	1,172	1995
Stewart, Kelly	1,018	1995
Medcalfe, Mike & Sterriah, Freda	2,576	1995
Chief, Cathy	2,073	1995
Dickson, Kristina	2,554	1995
Breithaut, Gisela & George	719	1995
Bird, Heather	526	1995
Gilson, E. & Michaud, F.	720	1995
Ellis, Roger	788	1995
Beahm, Mark & Betsy	862	1995
Schafer, Stephanie	864	1995
Hull, Hunter Rae & Ferridge	912	1995

YUKON HOUSING CORPORATION

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2001

Tenant Receivables Written Off

		Invoice Date
Johns, Joanne & Etienne, S.	667	1995
Hagar, Ernestine	523	1995
Sherbrooke, Debora	2,038	1996
Smith-Tutin, Marlene	1,066	1996
McKnight, Darlene	4,207	1996
Skidmore, R. Grant	1,294	1996
Ollie, Yvonne	1,416	1996
Mulder, Steve	749	1996
Mayer, Bob & Moi, El	998	1996
Boitson, Audrey	590	1996
Johnson, Cindy	690	1996
Olds, Tomara & Frank	704	1996
Campbell, James & Nolan, D.	727	1996
Nickerson, Fred	744	1996
Bramwell, Sharon	793	1996
Diane, Johns & Bodean, Sheena	518	1997
Hansen, Darla	670	1997
Hall, Theresa	758	1997
Schultz, Brenda	671	1997

Total accounts written off over \$500	<u>\$ 85,972</u>	
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Other tenant accounts less than \$500	16,359	
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Total accounts written off	<u><u>\$ 102,331</u></u>	
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Forgiveness (Not Previously Written Off)

Mason, Arthur & Linda	<u>\$ 63,370</u>	1995
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Total forgiveness	<u><u>\$ 63,370</u></u>	
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The Corporation is disclosing bad debts written off as required by subsection 14(4) of the *Financial Administration Act*.