

YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2002

(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.

A handwritten signature in black ink, appearing to read "Marc Tremblay".

Marc Tremblay

President

A handwritten signature in black ink, appearing to read "Bonnie Love".

Bonnie Love, CGA

A/Director, Finance and Administration

August 1, 2002



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, 2002 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, 2002 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.

Roger Simpson, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
August 1, 2002



Yukon Housing Corporation
Balance Sheet
as at March 31, 2002

	2002	2001
	Thousands of dollars	
Assets		
Current		
Cash (Note 3)	\$ 236	\$ 1,186
Due from Canada Mortgage and Housing Corporation	279	281
Accounts receivable - other	530	518
Mortgages receivable - current portion (Note 4)	3,803	2,991
Housing held for sale (Note 5)	<u>2,236</u>	<u>2,652</u>
	7,084	7,628
Seniors' Housing Management Fund (Note 10)	646	366
Mortgages, agreements and loans receivable (Note 4)	43,720	39,116
Capital assets (Note 7)	<u>31,734</u>	<u>32,984</u>
	<u>\$ 83,184</u>	<u>\$ 80,094</u>
Liabilities		
Current		
Accounts payable	\$ 1,235	\$ 1,446
Due to Government of Yukon	109	557
Current portion of long-term debt (Note 8)	<u>3,207</u>	<u>2,261</u>
	4,551	4,264
Seniors' Housing Management Fund (Note 10)	646	366
Accrued employee future benefits	693	672
Deferred revenue	523	591
Deferred capital funding from Government of Yukon (Note 9)	7,598	8,041
Long-term debt (Note 8)	<u>47,678</u>	<u>47,069</u>
	61,689	61,003
Equity		
Equity of Government of Yukon	<u>21,495</u>	<u>19,091</u>
	<u>\$ 83,184</u>	<u>\$ 80,094</u>

Approved by the Board of Directors

Director

Director

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



Yukon Housing Corporation
Statement of Equity of Government of Yukon
Year ended March 31, 2002

	<u>2002</u>	<u>2001</u>
	Thousands of dollars	
Balance at beginning of year	\$ 19,091	\$ 17,462
Funding advanced from Government of Yukon (Note 12)	2,404	1,629
	<hr/>	<hr/>
Balance at end of year	<u>\$ 21,495</u>	<u>\$ 19,091</u>

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



Yukon Housing Corporation
Statement of Operations
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Revenues		
Recoveries - Cost shared agreements	\$ 4,268	\$ 4,370
Rental income	3,296	2,578
Interest income	2,623	2,298
Recoveries - Prior year bad debts	342	187
	<u>10,529</u>	<u>9,433</u>
Expenses		
Program costs (Schedule)	5,048	5,370
Personnel	3,337	3,399
Interest on long-term debt	2,224	2,632
Amortization	1,658	1,727
Administration (Schedule)	668	910
Loss on sale of housing projects	33	102
	<u>12,968</u>	<u>14,140</u>
Net results of operations before government funding	(2,439)	(4,707)
Government of Yukon funding		
Operating grant	1,492	3,688
Amortization of deferred capital funding	947	1,019
	<u>2,439</u>	<u>4,707</u>
Net results of operations after government funding	<u>\$ -</u>	<u>\$ -</u>

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



Yukon Housing Corporation
Statement of Cash Flows
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Cash flows from operating activities		
Net income from operations	\$ -	\$ -
Adjustment for non-cash items		
Increase in accrued employee future benefits	21	17
Decrease in deferred revenue	(68)	(107)
Amortization of capital assets	1,658	1,727
Amortization of deferred capital funding	(947)	(1,019)
Loss on sale of housing projects	33	102
	<u>697</u>	<u>720</u>
Changes in non-cash components of working capital	(1,065)	(426)
Cash flows from operating activities	<u>(368)</u>	<u>294</u>
Cash flows from investing activities		
Additions to housing projects	(456)	(218)
Additions to computer systems, furnishings, equipment and office building	(54)	(2,270)
Proceeds from sale of housing projects	69	70
Additions to mortgages and agreements receivable	(7,513)	(7,762)
Repayments and reductions of mortgages and agreements receivable	6,143	3,469
Decrease in deposit on building purchase	-	509
	<u>(1,811)</u>	<u>(6,202)</u>
Cash flows used in investing activities		
Cash flows from financing activities		
Repayment of long-term debt - rental housing units and office building	(920)	(886)
Repayment and reduction of long-term debt - other	(3,759)	(2,208)
Long term debt advanced from Government of Yukon	3,000	10,110
Funding for the acquisition of capital assets	504	378
Funding from Government of Yukon (Note 12)	2,404	1,629
	<u>1,229</u>	<u>9,023</u>
Cash flows from financing activities		
Increase (decrease) in cash	(950)	3,115
Cash (Bank indebtedness) at beginning of year	<u>1,186</u>	<u>(1,929)</u>
Cash at end of year	<u>\$ 236</u>	<u>\$ 1,186</u>
Supplemental Disclosure of Cash Flows Information		
Interest paid	\$ 2,238	\$ 2,646
Interest received	2,687	2,259

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



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

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 Accountability Statement, the mission of the Corporation is to improve the quality of housing in the Yukon and help Yukoners resolve their housing needs. 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.

Also reflected in the Corporation's Accountability Statement are the Corporation's two primary responsibilities: assisting people to meet their housing needs and helping the housing marketplace work better by furthering the self-sufficiency of communities, industries and people to meet their housing needs.

2. Significant accounting policies

These 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.

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.

Based on historical loss experience management considers it necessary to establish an allowance for impaired loans. Loans are classified as impaired when: (1) the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due or (2) payments are 90 days or more in arrears, except in those cases where, in the opinion, of management, there is justification to continue to accrue interest. Where appropriate, an impaired loan allowance has been established to adjust the loan carrying value to the net realizable amount.

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 the financial statements
Year ended March 31, 2002

(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
Office building	20 years
Computer systems	3 years
Furnishings and equipment	5 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 housing related projects and 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 housing related projects are undertaken or losses are incurred on the interest and mortgage guarantees.

(f) Employee future benefits

Employee future benefits - other than pension

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 the financial statements
Year ended March 31, 2002

(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 is required to contribute 2.14 times the employees' contribution. The Corporation is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

(h) Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 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

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 4.00% (2001 - 6.75%). The overdraft facility is guaranteed by Government of Yukon.



Yukon Housing Corporation
 Notes to the financial statements
 Year ended March 31, 2002

4. Mortgages, agreements and loans receivable

	<u>Stated % interest rates</u>	<u>2002</u> Thousands of dollars	<u>2001</u> Thousands of dollars
Mortgages Receivable			
Home Ownership	3.47 - 8.25	\$ 27,885	\$ 23,346
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, 2002 were \$2,420,000 (March 31, 2001 - \$2,962,000).			
Owner Build	2.50 - 7.30	2,735	2,221
Loans with terms up to five years, secured by registered charges against real property, at fixed rates of interest ranging from 2.5% to the full Home Ownership mortgage rate with maturities up to 2007.			
Repair & Upgrade	1.00 - 8.25	9,623	8,850
Loans with terms up to twelve 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 2014. Mortgages receiving subsidies and forgiveness at March 31, 2002 were \$2,626,000 (March 31, 2001 - \$2,580,000)			
Energy Management	1.50 - 3.50	818	1,026
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 2009.			
Joint Venture	3.00 - 7.50	1,442	1,264
Loans with terms up to 13 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 the financial statements
Year ended March 31, 2002

	Stated % interest rates	2002	2001
Thousands of dollars			
Other mortgages			
Loans with varying terms, rates and maturities	5.90 - 10.00	-	753
Subtotal mortgages receivable		42,503	37,460
Less: Allowances for payment subsidies for Home Repair loans (Note 6)		1,546	1,541
Less: Allowances for impaired loans		121	-
Total mortgages receivable		40,836	35,919
Land sales agreements receivable	5.00 - 8.50	2,242	1,686
Loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2007.			
Loan receivable - Government of Yukon	7.05	4,445	4,502
Repayable in blended monthly payments to the year 2028 at a fixed rate of interest.			
Total mortgages, agreements and loans receivable		47,523	42,107
Less: Current portion		3,803	2,991
		<u>\$ 43,720</u>	<u>\$ 39,116</u>

These investments earn interest at the following weighted average rates:

	2002	2001
Mortgages receivable	6.57%	6.59%
Land sales agreements receivable	7.07%	8.01%
Loan receivable - Government of Yukon	7.05%	7.05%

5. Housing held for sale

	2002	2001
Thousands of dollars		
Mountain View Place	\$ 1,941	\$ 1,960
Other housing inventory	295	692
	<u>\$ 2,236</u>	<u>\$ 2,652</u>



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

6. Allowances for payment subsidies on Home Repair Loans

	2002	2001
	Thousands of dollars	
Payment Subsidies		
Balance at beginning of year	\$ 1,541	\$ 1,689
Provision for subsidies on loans advanced during current fiscal year	320	124
Principal subsidy paid during the year	(315)	(273)
Balance at end of year	1,546	1,540
Unearned Forgivable Advances	-	1
Total Allowances for Payment Subsidies	<u>\$ 1,546</u>	<u>\$ 1,541</u>

7. Capital assets

	2002		2001	
	Thousands of dollars			
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Social housing	\$ 32,909	\$ 11,399	\$ 21,510	\$ 22,598
Staff housing	11,650	4,554	7,096	7,063
Office building	1,753	220	1,533	1,610
Land	1,386	-	1,386	1,378
Computer systems	875	832	43	128
Other facilities	759	651	108	146
Furnishings and equipment	157	99	58	61
	<u>\$ 49,489</u>	<u>\$ 17,755</u>	<u>\$ 31,734</u>	<u>\$ 32,984</u>

CMHC funding used to purchase capital assets is deducted from the cost of the asset. CMHC funding allocated to capital assets during 2002 was \$250,000 (2001 - \$250,000).



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

8. Long-term debt

	Stated % interest rates	2002	2001
		Thousands of dollars	
Mortgages Payable (guaranteed by the Government of Yukon)	5.05 - 12.50	\$ 20,799	\$ 22,191
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 2029.			
CMHC Loans (guaranteed by the Government of Yukon)	5.00 - 13.25	4,724	4,871
Loans repayable in blended annual payments at fixed rates of interest to maturity, and with maturities up to 2028.			
Loans payable - Government of Yukon	0.00	22,643	20,200
Repayable without interest in periodic installments to 2029.			
Land sales agreements due to Government of Yukon	0.00	2,719	2,068
Repayable without interest in equal periodic installments to 2007.			
Total long-term debt		50,885	49,330
Less: Current portion		3,207	2,261
		<u>\$ 47,678</u>	<u>\$ 47,069</u>

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

	2002	2001
Mortgages payable	8.40%	8.30%
CMHC loans	8.82%	8.83%

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

	CMHC Loans	Mortgages	Government of Yukon Loans	Land Sales Agreements	Total
	(thousands of dollars)				
2003	\$ 161	\$ 658	\$ 756	\$ 1,632	\$ 3,207
2004	176	714	756	404	2,050
2005	192	778	756	360	2,086
2006	210	845	756	203	2,014
2007	230	919	756	120	2,025



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

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:

	2002	2001
	Thousands of dollars	
Balance at beginning of year	\$ 8,041	\$ 8,682
Add funding used to purchase depreciable capital assets	504	378
Less amortization	(903)	(1,019)
Less unamortized funding on assets disposed of during the fiscal year charged to operations	(44)	0
Balance at end of year	<u>\$ 7,598</u>	<u>\$ 8,041</u>

10. Seniors' Housing Management Fund

The Seniors' Housing Management 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 Fund receives Government of Yukon funding 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 Management Fund are as follows:

	2002	2001
	Thousands of dollars	
Balance at beginning of year	\$ 366	\$ -
Government of Yukon annual appropriation	100	250
Government of Yukon appropriation equal to interest revenue earned on Green Mortgage Program	168	115
Interest revenue earned on monies held within the Fund	12	1
Balance at end of year	<u>\$ 646</u>	<u>\$ 366</u>



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

11. Employee future benefits - pensions

	<u>2002</u>	<u>2001</u>
	Thousands of dollars	
Contributions made by the Corporation and its employees to the Public Service Superannuation Plan administered by the Government of Canada		
Employer contribution	\$ 283	\$ 282
Employee contribution	<u>129</u>	<u>127</u>
Total contributions	<u>\$ 412</u>	<u>\$ 409</u>

12. Funding advanced from Government of Yukon

	<u>2002</u>	<u>2001</u>
	Thousands of dollars	
Cash advances from Government of Yukon	\$ 4,680	\$ 6,060
Operating grant	(1,492)	(3,688)
Funding used to purchase capital assets (Note 9)	(504)	(378)
Funding invested in Seniors' Housing Management Fund	<u>(280)</u>	<u>(365)</u>
Funding advanced from Government of Yukon	<u>\$ 2,404</u>	<u>\$ 1,629</u>



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

13. Financial instruments

The fair values of the financial instruments were determined using the present value of future cash flows discounted at the March 31, 2002 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:

	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Thousands of dollars				
Long-term investments				
Mortgages receivable net of allowances for payment subsidies on Home Repair loans and loan impairments	\$ 40,836	\$ 39,874	\$ 35,919	\$ 34,921
Land sales agreements receivable	2,242	1,974	1,686	1,437
Loan receivable - Government of Yukon	4,445	3,682	4,502	4,057
	<u>\$ 47,523</u>	<u>\$ 45,530</u>	<u>\$ 42,107</u>	<u>\$ 40,415</u>
Long-term debt				
Mortgages payable	\$ 20,799	\$ 20,484	\$ 22,191	\$ 22,874
CMHC loans	4,724	4,932	4,871	5,386
Loans payable - Government of Yukon	22,643	9,269	20,200	8,316
Land sales agreements due to Government of Yukon	2,719	2,420	2,068	1,795
	<u>\$ 50,885</u>	<u>\$ 37,105</u>	<u>\$ 49,330</u>	<u>\$ 38,371</u>

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

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.

14. 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.



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

15. Commitments and contingencies

	2002	2001
	Thousands of dollars	
Outstanding contractual obligations to complete the funding of mortgages receivable as at March 31.	\$ 1,024	\$ 1,032
Subsidies to private social housing organizations	930	930

The Corporation has claims pending against certain parties which arise in the ordinary course of business. The outcomes of these claims are not yet determinable although the Corporation believes the outcomes will not materially affect the financial position or future results of operations of the Corporation.

16. 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, 2002 is \$252,000 (2001 - \$296,000).



Yukon Housing Corporation
Notes to the financial statements
Year ended March 31, 2002

17. 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.

	2002	2001
	Thousands of dollars	
Operating deficit	\$ 2,439	\$ 4,707
Less amortization	(1,658)	(1,727)
Less Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	(320)	(124)
Housing project improvements	(18)	(3)
Non-recoverable land development costs	-	(245)
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation	180	115
Government of Yukon - Operations and maintenance transfer payment	<u>\$ 623</u>	<u>\$ 2,723</u>
Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	320	124
Housing project improvements	18	3
Non-recoverable land development costs	-	245
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation	100	250
Add funding provided to repay principal portion of long term debt	920	886
Add funding provided to purchase depreciable capital assets (Note 12)	504	378
Add funding provided to purchase non-depreciable capital assets	7	-
Less funding refunded for net book value of assets disposed	(104)	(379)
Less funding refunded for prior year repayment of principal portion of long term debt	(68)	-
Government of Yukon - Capital transfer payment	<u>\$ 1,697</u>	<u>\$ 1,507</u>

18. 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
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Program costs		
Housing Operations		
Utilities	\$ 1,129	\$ 1,139
General maintenance	1,055	1,282
Subsidies - Private social housing organizations	837	808
Direct lending program administration	589	610
Property taxes	481	544
Property rentals	182	260
Garbage collection and janitorial	156	165
Bad debts - housing operations including rental tenants	153	58
Housing program administration	84	89
Insurance	44	42
	<u>4,710</u>	<u>4,997</u>
Other		
Home Repair mortgage provision for payment subsidies expense	320	124
Housing project improvements	18	3
Non-recoverable land development costs	-	246
	<u>338</u>	<u>373</u>
	<u>\$ 5,048</u>	<u>\$ 5,370</u>
Administration expenses		
Rentals - office and equipment	\$ 206	\$ 237
Travel and transportation	121	118
Computer services	119	212
Communications	79	87
Professional fees	54	120
Office and sundry	46	60
Boards and committees	31	32
Program promotion	12	44
	<u>\$ 668</u>	<u>\$ 910</u>



Yukon Housing Corporation
Schedule of Bad Debt Write-offs
for the year ended March 31, 2002

Tenant Receivables Written Off

		Invoice Date
Kingshott, R. & N.	\$ 1,114	1989
Billy, B. & Blanchard, H.	4,412	1991
Marsh, P.	1,120	1991
Bunbury, J.	1,797	1992
Wright, D.	1,172	1992
Benjamin, B.	2,630	1993
Tomtom, S.	1,108	1993
Coates, V. & Mead, H.	1,459	1994
Cove, S.	3,111	1994
Peterson, K.	1,678	1994
Blodgett, R.	1,253	1995
Fieldhouse, T.	2,589	1995
Kosmenko, K. & Ford, C.	2,754	1995
Kowalchuk, J. & D.	1,150	1995
Brown, G. & D.	1,865	1996
Ganske, V.	1,254	1996
Papineau, A.	1,110	1996
Yaklin, S. & M.	1,386	1996
Thompson, H.	761	1997
Barret-Morberg, E.	1,048	1997
Robinson, J.	1,264	1997
Masters, K.	764	2000
Total accounts written off	<u>\$ 36,799</u>	

Total accounts written off and forgiveness in 2001 \$165,701.

The Corporation is disclosing bad debts written off as required by subsection 14(4) of the *Financial Administration Act*.