



Annual Report

Yukon Housing Corporation

For the year ended March 31, 2023





401 Jeckell Street
Photo credit: Government of Yukon

Cover photo: Triplex in Whitehorse
Photo credit: Government of Yukon

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Doris Bill

Chair, Yukon Housing Corporation Board of Directors

Message from the Chair

As the new Chair of the Yukon Housing Corporation Board of Directors, I am pleased to present the Corporation's 2022–23 Annual Report. Although my time with the Board has been brief, I have spent an entire career working to advance the interests of Yukoners with a particular emphasis on community housing leadership. I understand first-hand the importance for the community and for individuals of having a safe, affordable home as a means of securing one's well-being and realizing one's full potential in life.

On behalf of all members of the Board, I am excited to be serving in this role and advancing this challenging and critical work that lies before us. We must meet the urgency of this moment and make headway on the diverse housing issues we're facing in the territory. As we look

to the future with our new five-year strategic plan, I am also pleased to take a look back at the year that was, as captured in the pages that follow.

The Corporation is working diligently in service to the people of the Yukon, by providing programs and supports as well as completing major new construction projects and forming partnerships that will create a lasting legacy of positive change in the housing landscape. We have a long way to go to ensure that all Yukoners have a safe, affordable place to call home, but I am encouraged by what I see from the dedicated staff and partners working in the housing sector.

A handwritten signature in blue ink, appearing to read "Doris Bill".



Open
process

~~Trust~~
Community

Honesty with
ourselves

Strong
SD
Stress



Justin Ferbey
President, Yukon Housing Corporation

Message from the President

This year is a major inflection point for the Yukon Housing Corporation. We have now concluded our previous five-year strategic plan, *Bringing the Future into Focus*, and are about to embark on a bold new five-year strategy that will guide us through until 2028.

We remain committed to increasing housing stock and building new affordable housing units ourselves, while at the same time bending the affordability curve through targeted support programs whose benefits can be felt with more immediacy. While new builds will always play a role in tackling the affordability challenges we face, the Corporation's many economic support programs will continue to offer Yukoners the relief they need.

For instance, I am proud to report that of the approximately 500 new housing units built in the City of Whitehorse in the year 2022, approximately 54 per cent of those completions were supported through Yukon Housing Corporation's loans and grants programs. These are the kind of broad results for Yukoners we will continue investing in, because the affordability challenges we face are not going away any time soon. Of course we are not alone in the sense that rising interest rates, lack of housing options for a growing population and increasing demand for government support programs are pressures facing most all communities in 2023. What has become clear is that the housing needs of Yukoners are diverse and complex, but the solutions don't need to be.

From new major capital projects to revised policies that promote healthier mixed-income housing communities, we are working hard to move the needle in a positive direction and position the Yukon's housing sector for success over the long term. There are still too many Yukoners living in core housing need. That is why we are working across government to develop new land parcels, increase housing stock, and continue responding to the findings of the 2022 Office of the Auditor General Report on Housing that will ensure we are effectively supporting the most vulnerable in society.

I would like to thank our staff, Board of Directors, management and our housing partners for their allegiance in working to support housing solutions for Yukoners who are depending on us to get it right. Systems-level transformation and innovation take time, and I am confident we are on the right path to deliver on our commitments and usher in a more affordable housing era in the Yukon.

A handwritten signature in blue ink that reads "Justin Ferbey". The signature is written in a cursive, flowing style.

Timeline of activities and events 2022–23





Cornerstone Community
Photo credit: Government of Yukon

Activities and events 2022–23

Quarter 1 (April to June, 2022)

- Housing Initiatives Fund (HIF) fifth intake results in 11 shovel-ready housing projects being selected; projects will contribute to development of 182 new homes, 155 of them affordable in communities across the Yukon.
- With funding provided by HIF, the Yukon Soaps Company completed three new affordable units project in Mayo.
- Yukon Housing Corporation and the Department of Health and Social Services signed a memorandum of understanding to create a framework for cooperation on affordable housing and housing with services in the Yukon that provides vulnerable Yukoners with adequate, suitable and affordable housing.

Quarter 2 (July to September, 2022)

- Draft action plan released to address nine recommendations in the Office of the Auditor General's (OAG) performance audit on the state of housing in the Yukon.
- Launched 2022 housing flood relief program to support Yukoners affected in the Southern Lakes region.
- The last of a series of three affordable triplexes opens in Whitehorse, made possible in part by funding from CMHC Rapid Housing Initiative.
- 45358 Yukon Inc. completes the construction of 12 new affordable homes in the neighbourhood of Copper Ridge in Whitehorse. Received funding from Housing Initiatives Fund (HIF).
- Completion of the transfer of land to the Council of Yukon First Nations for its planned Indigenous women and children's shelter in Whistle Bend.
- Macaulay Lodge in Whitehorse was demolished to repurpose the site for a new housing development. A tender for new lot development will be issued with a requirement for an affordable housing component. We remain committed to making housing available to seniors, as reflected in our support for Normandy Living.

Quarter 3 (October to December, 2022)

- The 2022 Housing Summit was held, bringing together close to 100 housing partners to discuss ongoing opportunities and challenges in the areas of homelessness, social services, and measuring and tracking performance on shared objectives.
- Loan agreement signed with Kwanlin Dün First Nation's (KDFN) arm's-length development corporation Chu Níikwän Limited Partnership (CNLP) for a new residential land development project at Copper Ridge West in Whitehorse, the first large-scale residential land development on settlement land in the Yukon.
- Sixth intake opens for Housing Initiatives Fund (HIF) project proposals.
- OAG work plan finalized after input from partners consisting of 36 actions to address the OAG recommendations.
- Normandy Living 84-unit seniors' supportive housing facility opens with an initial Yukon Housing Corporation lease agreement for 10 units funded by HIF and our MMRCF grant program.
- Implemented the revised asset cap policy where new applicants to the Rent-Geared-to-Income Program – including seniors – must not have over \$100,000 in assets.

Quarter 4 (January to March, 2023)

- A Yukon Housing Corporation Housing Initiatives Fund (HIF) recipient, Right On Property Group, completes Boreal Commons, a new 87-unit rental development in Whitehorse's Whistle Bend neighbourhood.
- Opening of 47 new affordable homes at 401 Jeckell Street in Whitehorse, the first residential complex of this size to open in the territory for Yukoners in need of community housing.
- Participation in the hearing on housing at the Standing Committee on Public Accounts of the Yukon Legislative Assembly.

Introduction

This coming year will mark the 125th anniversary of the Yukon becoming a territory and nearly 75 years since Whitehorse's first-ever multi-unit rental housing was constructed. Much has changed over this time, but the core business of Yukon Housing Corporation remains focused on serving and supporting those in society with acute housing needs. While the importance of this work remains central to everything we do today, it is also undeniable that housing availability and affordability are now challenges that impact nearly everyone up and down the socio-economic ladder.

Whether you are on the far end of the housing continuum moving from homelessness to supportive housing, or further along and striving to jump from a market rental into home ownership, barriers to affordability are stressing our communities like never before.

At Yukon Housing Corporation we are in the process of reimagining and transforming the way we provide benefits to the Yukoners we serve. While our 900+ rent-g geared-to-income subsidized community housing units are foundational to the supports we offer, we are also diversifying and taking more progressive housing positions to better support all those experiencing vulnerabilities, whether economic or social.

We are committed to improving housing outcomes across the territory. Driving our work is the collaborative 36-point work plan underpinning our response to the 2022 Yukon housing performance audit conducted by the Office of the Auditor General of Canada (OAG). Their recommendations to government called on us to work more effectively together to better meet the needs of the Yukon's most vulnerable, including the territory's homeless population, noted as 151 individuals in the 2021 Point-in-Time Count. This past year has seen us taking responsive action that is making an immediate impact in how we serve our clients in need. Other progress highlights

from this past year include Yukon Housing Corporation completing four of 25 OAG response actions for which we are the lead, and 11 more are underway alongside housing partners. The coming year will see us focused on improving the quality and accessibility of housing data in the territory, as well as advancing a comprehensive community needs assessment strategy and waitlist analysis to ensure our projects and resources are responding to the current requirements on the ground in Yukon communities.

Recent investments in Housing First supportive housing projects are a first for the territory, and the start of bringing together traditional housing programs with more of a health and social services focus to make headway on these systemic challenges. In other priority areas, we are adjusting our community housing programs and policies to more fairly and humanely support priority groups like those with disabilities and victims of violence.

Needless to say, the housing needs of the Yukon are diverse and complex, but we are developing and refining the tools we need to respond effectively. Whether working more collaboratively within government, or externally with the NGO sector and other allies, a partnership-based approach to tackling housing challenges is essential and truly the only way we will succeed.



Photo credit: Yukon Archives, Shirley Van Campen fonds, 2001/162R, #46

Core housing need in the Yukon

Housing is a precursor to a high quality of life; it is as fundamental to our well-being as clean air, food security and income security. Over the past year it has become as clear as ever that adequate and acceptable housing forms the basis for realizing one's full potential in life. With stable housing, the possibilities are limitless, and without it, vulnerabilities begin to surface, and the life satisfaction of Canadians trends in a markedly negative direction.

Nationally, housing is treated as a “headline indicator”, meaning it is tightly correlated to overall quality of life. Measures of Canadian prosperity are also influenced by whether people have access to acceptable housing.

Locally in the Yukon, we are increasingly focused on “core housing need” as indicators of overall well-being. Core housing need is a measure of the number of households that are

in unaffordable housing, or in housing that is below established standards for adequacy and suitability. This measure matters because it provides insight into how well local housing is meeting needs, and whether a household needs assistance to undertake repairs or relocate. This information provides an important way to assess the impact of our actions and decisions, and helps us know whether benchmarks for acceptable housing in the Yukon are trending in a positive direction.

Canada-wide, the 10-year National Housing Strategy has set targets to reduce housing need for 530,000 households and reduce chronic homelessness by 50 per cent by 2027–28. The Yukon is following in these steps and is in the process of developing our own goals, and our own targets, to ensure that over the next five years we can address these complex challenges in a meaningful way.





Acceptable housing

Acceptable housing refers to whether a household meets each of the three indicator thresholds established by the Canada Mortgage and Housing Corporation for housing adequacy, suitability and affordability.

Acceptable housing identifies which thresholds the household falls below, if any. Housing that is adequate in condition, suitable in size and affordable is considered to be acceptable.

Housing indicator thresholds include:

- adequate housing is reported by residents as not requiring any major repairs;
- affordable housing has shelter costs equal to less than 30% of total before-tax household income; and
- suitable housing has enough bedrooms for the size and composition of residents.

In 2021, the most recent year for which data is available, 10% of all households in Canada were in core housing need while in the Yukon we trended higher than the national average at 13.1%, according to Statistics Canada.

This equates to approximately 2,105 Yukon private households in core housing need.



To reduce core housing need by

50%

over the next 5 years

we would need to help

1,052 afford a home.

- The affordable housing deficit is predominantly in the lower end of the income spectrum. 335 households in need can afford a maximum rent of \$510/month or less; 1,240 households can afford maximum rent of \$1,275. To put this in perspective, median market rent in the Yukon is \$1,325.

Of those households

60.4%
were considered
unaffordable only

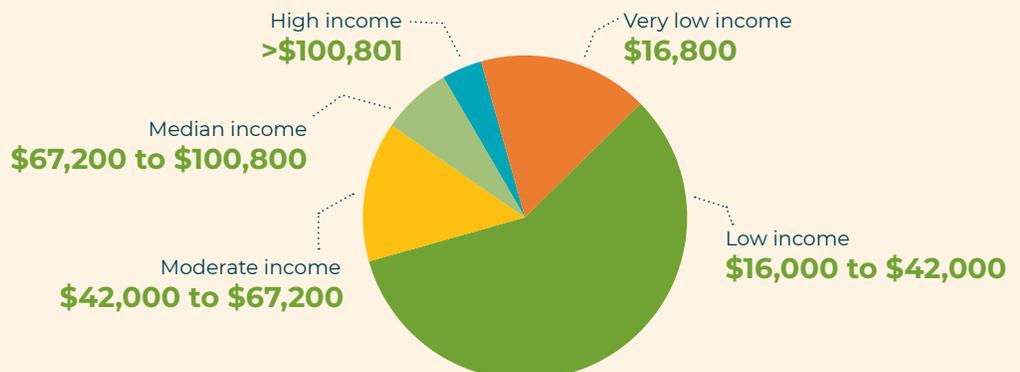
21.5%
were considered
inadequate only

4.4%
were considered
unsuitable only

Unsurprisingly, core housing need is also disproportionately experienced by lower income groups.

75% are in low or very low income groups

CORE HOUSING NEED, BREAKDOWN BY INCOME GROUP





In the pages that follow you will see how we are working with great focus to improve the affordability of home ownership and address core housing needs by:

- incentivizing new residential home construction, private sector, and First Nations land development projects to increase housing supply;

- supporting affordable housing initiatives; and
- providing loans and grants for homeowners to complement federal programs under the National Housing Strategy.

These actions will help positively influence core housing needs while going further and providing targeted supports for all Yukoners up and down the housing continuum.

The Yukon Housing Corporation Annual Report

After the close of every financial year Yukon Housing Corporation prepares an annual report detailing revenue, expenditures and activities. The report is a legislative requirement of the *Housing Corporation Act* and includes an audited financial statement, the report of the Auditor General for the financial year and performance highlights from across the Corporation.

At a glance, this report offers a look back at the 2022–23 fiscal year. It offers highlights of Yukon Housing Corporation accomplishments in providing high-quality and affordable housing supports and services to Yukoners, in line with our five-year strategic plan: *Bringing the Future Into Focus*.

The report also includes updates on Yukon Housing Corporation’s implementation of national and territorial action plans. It is also a look ahead to what comes next for the Corporation as we adopt a new five-year strategic plan that will guide us through 2028.



Corporate overview

This was the fifth and final year that Yukon Housing Corporation operations have been guided by the vision, mission and goals of Bringing the Future Into Focus: Strategic Planning Document 2018–19 to 2022–23.

MANDATE

Our authority

Our mandate is to deliver housing and program initiatives that address the housing needs of Yukon residents in accordance with government legislation, and in alignment with the objectives and priorities established by the government.

MISSION

What we do

Our core purpose is to work collaboratively to provide responsive and innovative solutions to diverse housing needs and vulnerabilities.

VISION

Where we are going

Deliver housing solutions that contribute to healthy, sustainable, inclusive communities.

VALUES

What we believe in

Respect is our foundation

- We seek to work together constructively and collaboratively, both within the Corporation and with our partners.
- We act with integrity; building and sustaining trust with our clients and partners.
- We respect diversity; we recognize vulnerability, and we are committed to meeting clients “where they are”.
- We believe in accountability, responsibility, fairness and transparency.

We build solutions

- We look for yes options: we strive to create solutions.
- We are committed to diverse and innovative approaches to housing.
- We value having the courage to be the change – to lead, to partner, to contribute, to be creative, to build capacity.

We are committed to a sustainable future

- We value our staff and foster an engaged and supportive workplace.
- We are responsible for efficient and proactive fiscal stewardship of our housing portfolio.
- We are committed to housing initiatives that build healthy communities and an environmentally and economically sustainable future for the Yukon.



Celebrating the opening of 401 Jeckell Street
Community Housing project –
left to right: Minister of Health and Social Services
Tracy-Anne McPhee, Yukon MP Brendan Hanley,
Whitehorse City Mayor Laura Cabott, Premier Ranj Pillai
Photo credit: Government of Yukon



Bringing the Future Into Focus Strategic Planning Document 2018–19 to 2022–23

This strategic plan has guided Yukon Housing Corporation in its response to local housing initiatives that address the affordability challenges facing Yukon communities. The plan has helped us assess, prioritize, innovate and focus effectively on projects that support Yukoners with effective housing solutions.

Over the past five years we have advanced progress towards three goals:

1. being a trusted housing partner;
2. renewing and rebalancing our housing programs; and
3. strengthening corporate stewardship.



STRATEGIC GOAL 1

Be a trusted housing partner

By engaging in housing partnerships and achieving housing solutions that contribute to healthy communities.

Objectives:

Establish Yukon Housing Corporation as a trusted housing partner working with First Nations, municipalities, federal government, Yukon government departments, private sector companies, non-government organizations and individuals to increase housing options for Yukoners by developing and implementing engagement frameworks that include:

- partnership roles and responsibilities;
- project objectives, outcomes and accountability; and
- risk assessment.

Lead the change by fostering engagement with housing clients and stakeholders: explore opportunities to create housing solutions that address affordability, availability, suitability, stability and models that integrate housing with support services.

Modernize the Corporation's leadership role with the Housing Action Plan for the Yukon by facilitating the implementation of the plan in partnership with stakeholders, and embracing and leveraging local and federal housing opportunities, initiatives and investments.

Ensure each community's housing needs matter by applying local solutions, innovative housing models and best practices.

Leverage economic development opportunities with our partners that increase the availability, stability and equitability of housing in all communities.



STRATEGIC GOAL 2

Community Housing renewal and rebalancing

By addressing aging infrastructure and shifts in housing needs, priorities and programming.

Objectives:

Strive for sustainable and resilient Community Housing through transformation and renewal, supported by a one-government approach, integrated planning and federal funding opportunities.

Highlight preventative maintenance excellence for Yukon Housing Corporation's capital assets.

Support our clients' needs by prioritizing their housing requirements through capital maintenance and construction projects.

Devise a sustainable approach to meet maintenance and repair needs through effective programs in each community, inclusive of:

- maintenance, repair and renewal of Yukon Housing Corporation's capital assets; and
- maintenance, repair and renewal support/education.

Modernize the staff and Community Housing portfolio by increasing fiscal and environmental sustainability and household equitability.

Manage our carbon footprint by maximizing energy efficiency, preventive maintenance, retrofit and accessibility/flex housing options through capital construction and programs.



STRATEGIC GOAL 3

Strengthen corporate stewardship

By aligning operational activities to achieve government priorities through client services and program delivery.

Objectives:

Embrace a culture of staff engagement by prioritizing staffing stability, corporate continuity and change management.

Promote cultural awareness within the Corporation that reflects Yukon First Nations' history, culture and traditional knowledge.

Strengthen organizational resilience and organizational capacity by prioritizing initiatives that foster learning and improvement for staff, leadership and the Board.

Invest in staff by building general housing knowledge, empowering the “every door is the right door” understanding and connecting effectively with the Corporation’s housing programs and external housing initiatives.

Develop a performance evaluation framework that establishes program priorities, objectives and outcomes that demonstrate a focus on client service excellence and the Corporation’s capacity requirements to meet clients’ housing needs.

Perform an organizational review and refresh with a one-government lens by establishing target clients and outcomes linked to program objectives, capacity requirements and fiscal realities.

Modernize the roles of Community Housing managers in rural Yukon including delivery of Community Housing, housing programs and territorial agent services.

Report on progress

This is the fifth and final year of the Corporation's five-year strategic plan, Bringing the Future Into Focus. The Corporation continues to prioritize partnerships, housing renewal and corporate stewardship.



New triplex in Whitehorse August 2022
Photo credit: Government of Yukon

Drivers of change and innovation

The Corporation's priorities and actions are driven by: Bringing the Future Into Focus, as well as the Government of Yukon's mandate commitments and the partner-led Housing Action Plan for the Yukon.

1.

Bringing the Future Into Focus Strategic Planning Document 2018-2019 to 2022-2023

Under Bringing the Future Into Focus, the Corporation has accomplished much over the past five years. We will continue to undertake significant capital projects and deliver responsive programs and services to better support Yukoners and make progress on our goals.

2.

Government of Yukon mandate commitments

For the fiscal year 2022-2023, the Corporation was guided by the housing priorities and goals highlighted in both former Premier Silver's 2021 mandate letter as well as Premier Pillai's 2023 mandate letter commitments.

2021 commitments

Increasing housing stock across the territory, developing new land parcels and lots and enabling innovative approaches to address the acute need for increased housing options in the territory. This will be led by Yukon Housing Corporation with support from the departments of Community Services and Energy, Mines and Resources.

This includes:

Releasing the 5th and Rogers land parcel to the private sector for future housing development.

- Supporting the establishment of community land trusts in the Yukon.

Developing new, and continuing existing incentives for the construction of affordable housing.

- Building and operating Housing First project in Watson Lake. This will be led by Yukon Housing Corporation with support from the Department of Health and Social Services.
- In partnership with First Nations governments and development corporations, developing and maintaining Yukon government staff housing in rural communities.
- Continuing to implement the Aging in Place Action Plan to ensure that Yukoners can access supports in their communities, and enable seniors and elders to live safe, independent and comfortable lives for as long as possible.

2023 mandate commitments

Respond to the significant need for housing across the spectrum by:

- Leading government's effort to increase the supply of housing stock with a focus on supporting the most vulnerable and improving affordability.
- Implementing the work plan created in partnership with the Department of Health and Social Services to respond to the recommendations of the 2022 Office of the Auditor General of Canada Report on Yukon Housing.
- Developing the Yukon's rapid response to homelessness strategy while continuing to implement integrated housing with supports in partnership with Health and Social Services.
- Developing new land parcels and lots.
- Exploring and supporting new approaches to address the ongoing need for housing options in the territory.
- Releasing the 5th and Rogers land parcel to the private sector for future housing development.
- Supporting the community land trust to advance its project in Whitehorse.
- Creating opportunities for public–private partnerships in land development.
- Developing and maintaining Yukon government staff housing in rural communities in partnership with First Nations governments and development corporations.
- Continuing to explore innovative approaches to modernize Community Housing, such as broadening mixed-income housing while carrying out due diligence on cost efficiencies of the Yukon Housing Corporation's housing stock.
- Continuing to implement the Aging in Place Action Plan, to ensure that Yukoners can access supports in their communities, and enable seniors and elders to live safe, independent and comfortable lives for as long as possible.



3.

Housing Action Plan for the Yukon

The 2015–2025 Housing Action Plan aims to build a Yukon where diversity and abundance of housing options increases the health and stability of all individuals and communities.

The plan is rooted in three key pillars: housing with services; rental housing; and home ownership.



INDICATES AN ACCOMPLISHMENT FROM THE 2021 AND 2023 MANDATE LETTERS

The reporting cycle of the Annual Report is based on the Government of Yukon fiscal year. The mandate letter activities reported on in the 2022–2023 Annual Report will reflect government priorities from 2021 as well as 2023 mandate letters.



INDICATES A PERFORMANCE MEASURE

Performance measures help the Corporation monitor and regularly report on its progress. Graphs illustrate the objectives achieved as per the Corporation's Annual Operating Plan throughout this report.



INDICATES SUCCESSES AS PER THE HOUSING ACTION PLAN FOR THE YUKON

The Corporation's Annual Report evaluates progress against the priorities found in the Housing Action Plan for the Yukon.



STRATEGIC GOAL 1

Be a trusted housing partner

By engaging in housing partnerships and achieving housing solutions that contribute to healthy communities.

Yukon Housing Corporation strives for a future where the Corporation is an effective and trusted partner in bringing housing solutions forward that help create healthy, vibrant communities.

Yukon Housing Corporation continues to form and sustain partnerships by providing financial support and working together on housing solutions to meet local housing needs.



Housing Action Plan for the Yukon

The Government of Yukon, in partnership with members of the Housing Action Plan Implementation Committee, continue to advance actions to drive progress against the plan's three pillars. The following offers a snapshot of successful activities from the report.

The 2022 Housing Summit

This second summit brought together more than 100 housing partners to discuss ongoing opportunities and challenges in the areas of homelessness, social services and measuring and tracking our collective performance.

Cornerstone opening

- The grand opening for the Cornerstone Housing Project was held on July 20, 2022. The 53-unit building, located at 704 Main Street, is now fully tenanted and includes 22 supportive housing units, 23 affordable rental units, and 8 market condominiums. Opportunities Yukon acknowledged the financial contributions of governments and the community at large – including \$15.1 million in federal funding, \$7.6 million from the territorial government and \$1 million from the city.

401 Jeckell

- In January 19, 2023, the multi-use, affordable, housing development opened in Whitehorse. The project is the largest of its kind in the territory and was created through a combined \$21 million in investments through the Yukon Housing Corporation and the Canada–Yukon Bilateral Agreement under the National Housing Strategy.

Housing with services

Normandy Living

- The Yukon's first private seniors' supportive living community opened its doors December 1, 2022, with 84 modern suites, including housing units for First Nations elders and affordable units for low-income seniors. The project is run by KBC Developments and received nearly \$60 million in funding through multiple funding programs and private investments. Yukon Housing Corporation entered into a 20-year lease agreement with KBC to house 10 senior clients from our waitlist during the 2022–23 fiscal year.

Jëjë Zho (men's shelter)

- The Jëjë Zho men's shelter, operated by the Tr'ondëk Hwëch'in Government, will service Dawson City and Tr'ondëk Hwëch'in Citizens. The building consists of ten residential units, with up to eleven beds, a three-bed emergency shelter, as well as outreach and support offices to provide on-site care related to addictions, harm reduction, and mental health supports. The shelter was funded in part by a \$900,000 Housing Initiatives Fund contribution from Yukon Housing Corporation.

Land transfer CYFN women and children's shelter

- The Government of Yukon completed the land transfer to the Council of Yukon First Nations for the construction of the territory's first Indigenous women's and children's shelter. The CYFN is collaborating with Yukon First Nations and local women's shelters to ensure the shelter meets community needs and addresses gaps in services, while providing culturally appropriate programming and services. Located at 10 Eldorado Drive, in Whistlebend, the mixed-barrier shelter is funded by the Canada Mortgage and Housing Corporation (CMHC) and will have 15 apartments, with a total of 32 beds.



Engagement with our partners

Beyond subsidies for renters and supports for homeowners, we are also improving housing outcomes by partnering with non-profits, First Nations, and private sector developers.

Our goals are multi-faceted, including support for the most vulnerable, in addition to others along the housing continuum. We're doing this by bringing more housing online quickly, and increasing housing supports across the board.

Safe at Home Society

The Corporation provides core services funding to the Safe at Home Society to support a coordinated continuum of housing and supports for individuals who are homeless or at risk of homelessness. This includes funding for a housing stability worker to support Yukon Housing Corporation clients, as well as core funding for organizational services.

We acknowledge the Safe at Home Society's vision to develop 55 units of permanent, supportive housing at the former Coast High Country Inn and are doing what we can to support a viable way forward.

Alongside the Canada Mortgage and Housing Corporation, our three organizations are working to explore practical options while in the meantime continuing to support the Society on other fronts, including the temporary winter housing at the former Coast High Country Inn. The temporary project provided stable housing to 22 people over this past year and demonstrated how the Society can effectively deliver housing with supports to vulnerable Yukoners.

Seniors and community engagement

- The Yukon Anti-Poverty Coalition was again provided with funding to hire a Senior Engagement Specialist.
 - Yukon Housing Corporation engages communities in housing solutions and has utilized feedback to inform project direction.
 - In 2023, we partnered with the firm City Spaces to develop a standardized approach to assess community housing needs. Eight housing needs assessments in total have been conducted since 2019.

- We continue to engage with other third-party housing providers to explore new partnership opportunities, such as Vimy Heritage Housing Society, Grey Mountain Housing Society and Northern Community Land Trust Society.
- The Corporation co-chairs the Open Forum on Homelessness and ensures representation of northern perspectives with federal partners in shared positions.
- Yukon Housing Corporation continues to work as a connector between private sector developers, the City of Whitehorse and Yukon First Nations to facilitate and expedite land development on privately held properties such as the Tank Farm and Copper Ridge West.
- The Corporation is working with other departments to free up under-utilized Commissioner's land for development, including 5th and Rogers and the site of the former Macaulay Lodge.





Commitment to federal and territorial planning strategies

Putting People First, Aging in Place, Safe at Home: Ending and Preventing Homelessness in the Yukon

- Under the 2017 National Housing Strategy, Yukon Housing Corporation is collaborating with the Canada Mortgage and Housing Corporation (CMHC) on its three-year action plan of the bilateral agreement to advance shared priorities.
 - The Corporation and CMHC entered into a new three-year action plan that started last year and will take us through 2024–25.
 - The agreement includes the following CMHC funding commitments for the Yukon.
 - \$2.4 million for the Northern Housing Initiative.
 - \$895,000 for Yukon priority Fund Initiative.
 - \$1.155 million for the Canada Yukon Housing Benefit program.
 - \$327,000 for the Canada Community Housing Initiative.
 - Under the the CMHC–YHC 2016 Social Housing Agreement, YHC received \$3.518 million in funding towards the maintenance of existing YHC units which were downloaded to the Corporation.
- Supporting the Aging in Place Action Plan, Yukon Housing Corporation is working with Health and Social Services on the Normandy Living project, a privately owned and operated 84-unit residence to meet the needs of seniors who want housing with support services. Beginning in the 2022–2023 fiscal year, the Corporation has been leasing 10 units in the building.

First Nations partnerships

- We continued to offer 50 Community Housing units for Yukon Housing tenants at the Riverbend property in the Whistle Bend subdivision. This project is being delivered in partnership with Da Daghay Development Corporation, wholly owned by Ta'an Kwäch'än Council.
- Yukon Housing Corporation continues to offer the First Nations Energy Efficiency Program to help support energy efficiency of First Nations-owned housing in the Yukon.
- Yukon Housing Corporation engaged all Yukon First Nations on their interest to develop a joint funding proposal for a multi-residential unit building with a common design to take advantage of economies of scale and to address unmet need for new housing in First Nations communities. Champagne Aishihik First Nation, Kwanlin Dün First Nation, Teslin Tlingit Council, Vuntut Gwitchin First Nation, and Kluane First Nation confirmed their interest in moving forward with a proposal. Yukon Housing Corporation, with funding from the Canada Mortgage and Housing Corporation, worked with the five First Nations to develop a conceptual design to present to funding partners.

Partnership highlights with the Government of Canada (Canada Mortgage and Housing Corporation)

Northern Carve Out

- In recognition of the additional needs of northern communities, a \$40 million Northern Carve Out under the National Housing Co-Investment Fund was allocated to the Yukon. Over the past year, these funds have supported several projects recently completed or currently underway including:
 - Watson Lake Housing First project;
 - an affordable duplex in Dawson City; and
 - multi-family builds in Dawson City and Teslin.

National Housing Strategy – Yukon implementation

The Yukon government continues to collaborate with our federal colleagues to implement the National Housing Strategy and to ensure it meets the specific needs of Yukoners. We continue directing National Housing Strategy funds towards the Housing Action Plan, the Safe at Home Plan to end and prevent homelessness, Yukon's Aging in Place Action Plan, and the findings of the Auditor General of Canada's report on housing for vulnerable Yukoners.



STRATEGIC GOAL 2

Community Housing renewal and rebalancing

By addressing aging infrastructure and shifts in housing needs, priorities and programming.

Under this goal, Yukon Housing Corporation is committed to making an impact on housing in the territory through a fiscally and environmentally sustainable framework, managing capital assets and meeting Community Housing needs.

Consistent with the recommendations made by the Office of the Auditor General of Canada (OAG), staff at the Corporation are working to improve information systems to better understand the reasons for evictions in order to better support our clients overall in maintaining stable tenancies.

The OAG audit report identified concerns that the Corporation has applied different asset cap criteria for seniors and non-seniors in Community Housing.

Yukon Housing Corporation recognizes the importance of ensuring program eligibility is transparent and equitable for all tenants. In December 2022, to address this concern,

Yukon Housing Corporation implemented the revised asset cap policy where new applicants to the Rent-Geared-to-Income Program – including seniors – must not have over \$100,000 in assets. At the time of implementation, 37 clients on the waitlist had assets over the cap. They remain on the waitlist because they fit the eligibility criteria at the time of their application.



Community Housing stock

Yukon Housing Corporation remains committed to advancing a Community Housing model and is working to increase the amount of affordable housing. Since 2018, we have supported almost 600 new builds across the territory through the Housing Initiatives Fund (HIF), the Municipal Matching Rental Construction Program (MMRCP), and the Developer Build Loan Program (DBLP). Approximately 220 of these new builds are below-market, affordable units.

The success of these programs helps to explain the fact that 493 new housing units were built in Whitehorse in the year 2022 alone – a record breaking year according to CMHC data. Approximately 54% of those completions were supported through Yukon Housing Corporation’s loans and grants programs.

Affordability

We are working to improve the affordability of home ownership within the Community Housing model by:

- incentivizing new residential home construction, private sector, and First Nations land development projects to increase housing supply;
- supporting affordable housing initiatives; and
- providing loans and grants for homeowners to complement federal programs under the National Housing Strategy.

Notable examples of recently completed projects funded in part by the Corporation include:

- 53-unit mixed-use Cornerstone Community Building on Main Street (supported by the Corporation’s programs including HIF, MMRP, DBL);
- 84-unit Normandy Living independent seniors living facility (supported by YHC’s programs including HIF, MMRC); and
- 87-unit Boreal Commons facility in Whistle Bend, which includes 18 affordable units and 12 accessible units (supported by YHC’s programs including HIF, MMRC).

Territory-wide initiatives

The Corporation continues to dispose of aging single-family dwellings, replace aged-out units, and develop individual plans for communities. This past year we disposed of three duplexes in Carmacks and Mayo.



Building maintenance and work orders

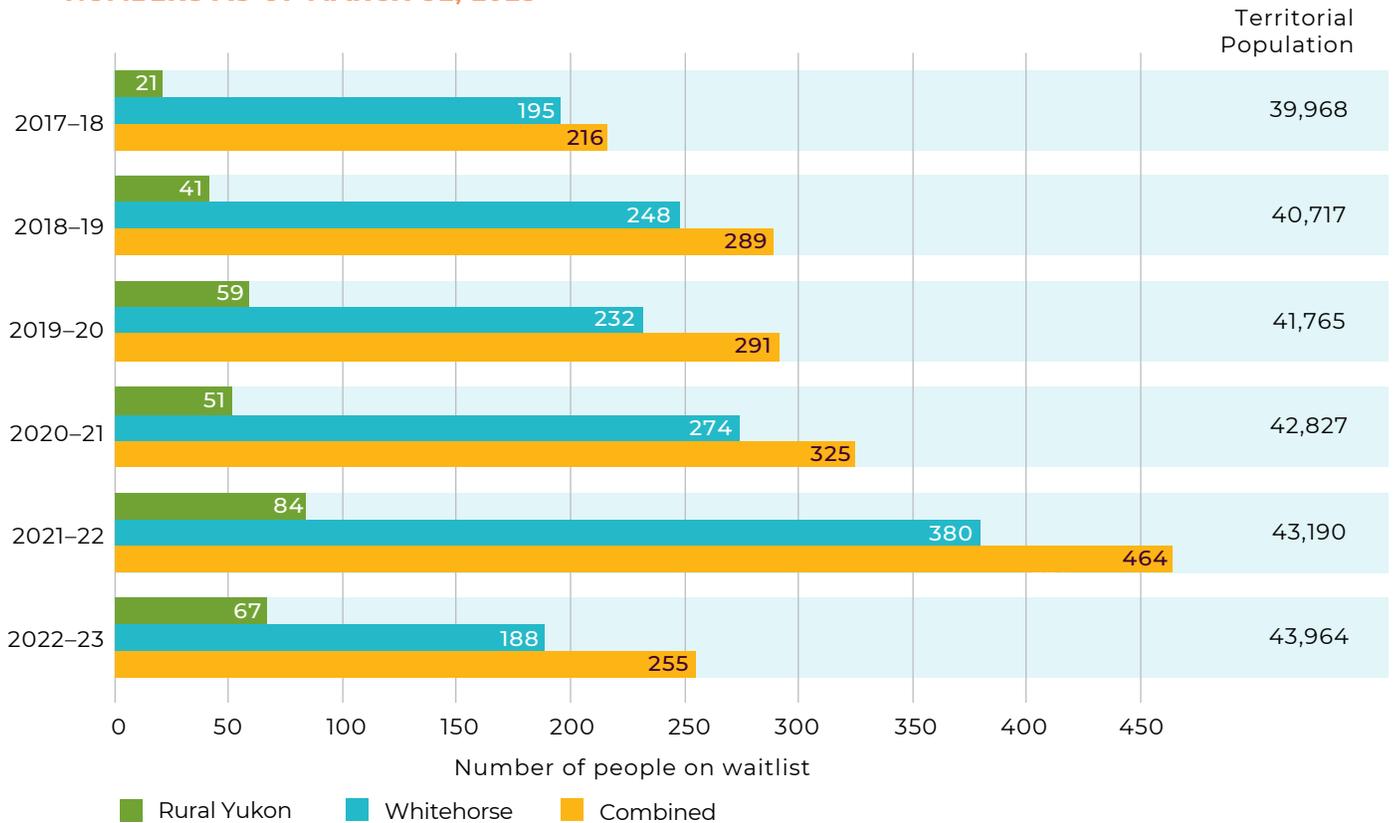
A small and skilled team of building maintenance workers are deployed in Whitehorse and across Yukon communities to help support safe and healthy living environments for tenants.

- YHC completed 101 major repairs between April 1, 2022 and March 20, 2023.
 - The Corporation completed 139 maintenance contracts to service our units throughout the Yukon. Scope of services provided includes annual maintenance service contracts, snow removal, grounds maintenance, unit repairs, elevator servicing and janitorial.

COMMUNITY	YHC TOTAL UNITS BY COMMUNITY AS OF JANUARY 2023	BELOW ARE THE ESTIMATED NUMBERS OF WORK ORDERS COMPLETED LAST YEAR
Beaver Creek	3	
Destruction Bay	2	64
Haines Junction	28	
Carcross	10	18
Carmacks	40	90
Dawson City	98	363
Old Crow	7	
Faro	19	38
Mayo	33	114
Pelly Crossing	10	
Ross River	37	90
Teslin	28	44
Watson Lake	87	280
Whitehorse	549	2,111
Total	951	3,212

Community Housing waitlist

NUMBERS AS OF MARCH 31, 2023



* Each year Yukon Housing Corporation typically requires applicants to submit or resubmit their Notice of Assessment so that we can verify eligibility against our program's criteria such as income limit thresholds and an applicant's total assets. This practice of verifying eligibility was paused during the response to the COVID-19 pandemic, which explains the significant increase to our waitlist in 2021-22 and hence the significant correction to normal levels in 2022-23 once the practice resumed.

Rent supplements

The Corporation has supported approximately 78 clients in 2022-2023 in private market rentals, including rent supplements under agreement with the Da Daghay Development Corporation at River Bend.

YUKON HOUSING IN YOUR COMMUNITY

Numbers as of March 31, 2023

107 Yukon Housing Corporation rent supplements

76 Corporate rent supplements

31 Landlord supplements

205 Canada-Yukon Housing Benefit rent subsidies



Housing Initiatives Fund

- The Housing Initiatives Fund (HIF) supports a wide range of new affordable housing projects that align with the three pillars of the Housing Action Plan for the Yukon: housing with support services, affordable rental housing and increased home ownership options.
- The Corporation has held six calls for projects through a public intake process:
 - June 2018;
 - February 2019;
 - November 2019;
 - November 2020;
 - November 2021; and
 - November 2022.

This most recent intake will see HIF supporting the construction of approximately 159 new affordable, energy-efficient homes across the territory by providing funding to 11 shovel-ready projects.

Since the Government of Yukon launched the HIF in 2018, the program has approved over \$28 million for 56 construction projects, supporting the construction of 645 affordable new homes and 154 additional homes.

Employee housing

- Our government continues to provide employee housing in rural Yukon communities to help with staff recruitment and retention.
- As of March 31, 2023, there were six people on the employee housing wait-list.
- The employee housing policy (GAM 3.30) was revised in 2019 to:
 - prioritize housing for essential positions, such as health professionals and teachers;
 - limit tenancies to three years to encourage alternative housing options, and support private-market housing supply development; and
 - help realign each community's rental rates to be closer to the private market.

A review of the policy changes from 2019 is underway to determine their effectiveness.

To increase effectiveness in service delivery and staff housing satisfaction for residents and clients, Yukon Housing Corporation will conduct a three-year policy review of staff housing in collaboration with the Public Service Commission.

Yukon Housing Corporation currently has

123 

units

under lease to families and individuals that meet their housing needs.

47 

employee housing requests

were received between April 2022 and March 2023.

Of these, 34 employees were provided with housing while some requests were no longer needed and were cancelled.

Loans and grants programs

- After a loans program review in 2018, we refreshed our approach to better support clients with significant affordability needs. The Corporation's loans and grants programs are designed to complement rather than compete with the private sector.
- Last year, Yukon Housing Corporation's Accessibility Grant helped 14 clients. Taken together, these kinds of grants offered by the Corporation allow homeowners, including seniors and those with accessibility needs, to remain comfortably housed in their community of choice.
- 17 new projects were approved under the Municipal Matching Rental Construction Program, which will lead to the construction of 17 new rental units and help stimulate the rental market.

2022–23 loan and grant programs offered through Yukon Housing Corporation



Developer Build Loan Program

supports housing development with bridge financing for residential land development and construction of new builds.



Home Repair grants and loans

include accessibility and emergency repair grants, and a home repair loan.



Rural Home Ownership Loan Program

provides loan eligible individuals to buy or build their principal residence in the Yukon.



First Nations Energy Efficiency Program

offers capital funding to First Nations governments to undertake energy retrofits to reduce carbon emissions and improve the energy efficiency of their existing housing units.



Municipal Matching Rental Construction Program

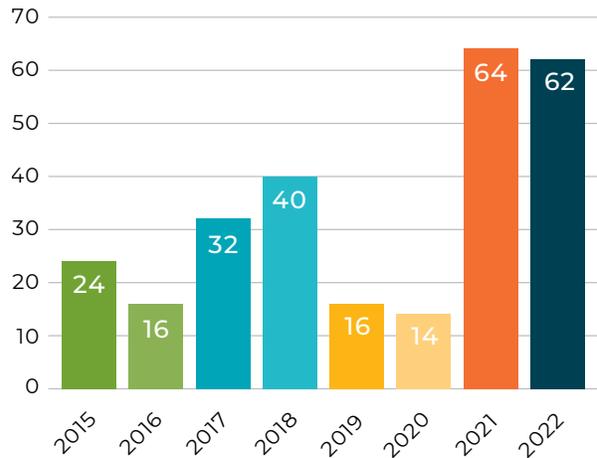
aims at increasing the rental supply in the housing market through a one-time capital grant. This program provides funding to match incentives that some Yukon municipalities also offer.

Loans delivered in 2022-23

- Through the Rural Home Ownership Program, Yukon Housing Corporation approved three new Yukon household loans to support residents to buy or build their own home. The program also provided funding to Yukoners who were previously approved funding but whose projects straddled more than one fiscal year.
- Yukon Housing Corporation funded \$714,122 through the Home Repair Program and supported 62 Yukon homeowners to repair their homes, fix mobility issues around their homes, and enable energy-efficient upgrades.
- Through the Developer Build Loan Program, Yukon Housing Corporation approved a \$2.5 million loan for one Yukon developer and housing provider, Chu Niiqwan LP and affiliated entities, to help advance the development of residential lots in Whitehorse.
- Since 2018, the Developer Build Loan Program has successfully supported 78 new housing units and was recently expanded to include bridge financing for residential land infrastructure.
- The program provides short-term loans for Yukon developers seeking to build new housing initiatives or residential land developments.

Home Repair Program

NUMBER OF HOME REPAIR LOANS



*Includes client numbers from the Home Repair grants and loans.

Other funding initiatives

MUNICIPAL MATCHING RENTAL CONSTRUCTION

17 clients helped | **\$302,500** funding

HOUSING INITIATIVES FUND

20 clients helped or projects supported

FUNDING

2022-23 Housing Initiatives Fund awards disbursed

\$3,608,000



STRATEGIC GOAL 3

Strengthen corporate stewardship

Aligning operational activities to achieve government priorities through client services and program delivery.

Under this goal, Yukon Housing Corporation strives to be resilient, with programs and services that strategically align with client housing needs, organizational mandates and strategic direction, while ensuring that staff members have the resources to address client needs effectively. Yukon Housing Corporation is focusing on its client-centred approach and alignment with the completed work on Yukon Housing Corporation's client promise.

Responding to the Auditor General's recommendations

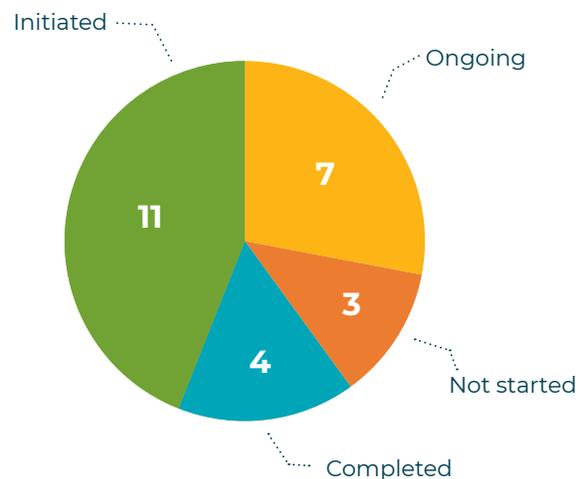
Yukon Housing Corporation and the Department of Health and Social Services (HSS) continue to work together to address the gaps identified in the 2022 Office of the Auditor General (OAG) of Canada Report on Housing.

- Of the 25 actions the Corporation is responsible for in the OAG Report Work Plan, four actions have been completed:
 - amending the prioritization system and eligibility requirements as part of Community Housing Operational policies;

- commitment to a multi-year Memorandum of Understanding between the Ministers of Health and Social Services and the Yukon Housing Corporation;
- establishing the terms of reference for the joint Yukon Housing Corporation and Health and Social Services Assistant Deputy Minister Steering Committee; and
- publishing of the 2019–2022 Housing Action Plan report.

- Three actions have not started, eleven are underway with partners, such as HSS and the Yukon Bureau of Statistics, while seven continue to evolve based on the housing needs of Yukoners.

STATUS OF YUKON HOUSING CORPORATION OAG ACTIONS






Community Housing

Yukon Housing Corporation's shift to Community Housing is being driven by the need for improved tenant outcomes. We aim to create an environment where more effective wraparound supports for our most vulnerable citizens contribute to their wellness and help sustain healthier communities. This fundamental shift in the delivery of Community Housing is supported by federal and territorial policy directions including:

- Canada's National Housing Strategy: A Place to Call Home (2017–2027);
- Reaching Home: Canada's Homelessness Strategy;
- Housing Action Plan for the Yukon (2015–2025); and
- Safe at Home Plan to End and Prevent Homelessness.

Aims of the Community Housing approach

include improving client outcomes while maintaining fiscal sustainability, and focusing on:

- a mixed-income model where clients with incomes under Housing Income Limits (HILs) are housed throughout a building and neighbourhoods with the goal of social stability and inclusivity;
- a mixed-use model where single people, families and seniors live within a building and neighbourhoods;
- working hard to develop stronger partnerships with the Department of Health and Social Services and the NGO community to deliver more comprehensive housing services to Yukoners;

- working with rural communities on local housing solutions to support sustainable communities; and
- introducing consistent assessment of assets for senior tenants to ensure the sustainability of the program.

New Yukon Housing Corporation community housing policy direction

The Corporation has implemented several new policies that modernize how we provide homes through the Rent-Geared-to-Income Program which include a mixed-income and mixed-use Tenant Allocation policy. We also finalized and released a new Priority policy and an updated Asset Cap policy to strengthen our approach to allocating homes to those in need.

These changes, along with efforts to foster collaborative and constructive partnerships with the Department of Health and Social Services and the NGO sector, will help provide our tenants with more stability, especially our more vulnerable clients.

Community Housing also leverages partnerships within the private sector, First Nations Governments and their Development Corporations, and municipalities which are helping to create more homes for Yukoners by uniting around common objectives and outcomes.



Moving forward 2023–2024

With the conclusion of our 2018–2023 strategic plan, the Yukon Housing Corporation is underway with the implementation of our new 2023–2028 strategic plan. We are also continuing to advance the various housing mandate commitments that will help bring transformative change to the territory. Moving forward, there will continue to be a focus on evolving Community Housing, improving client services and advancing key partnerships to meet the housing needs of Yukoners across the continuum.

Financial analysis

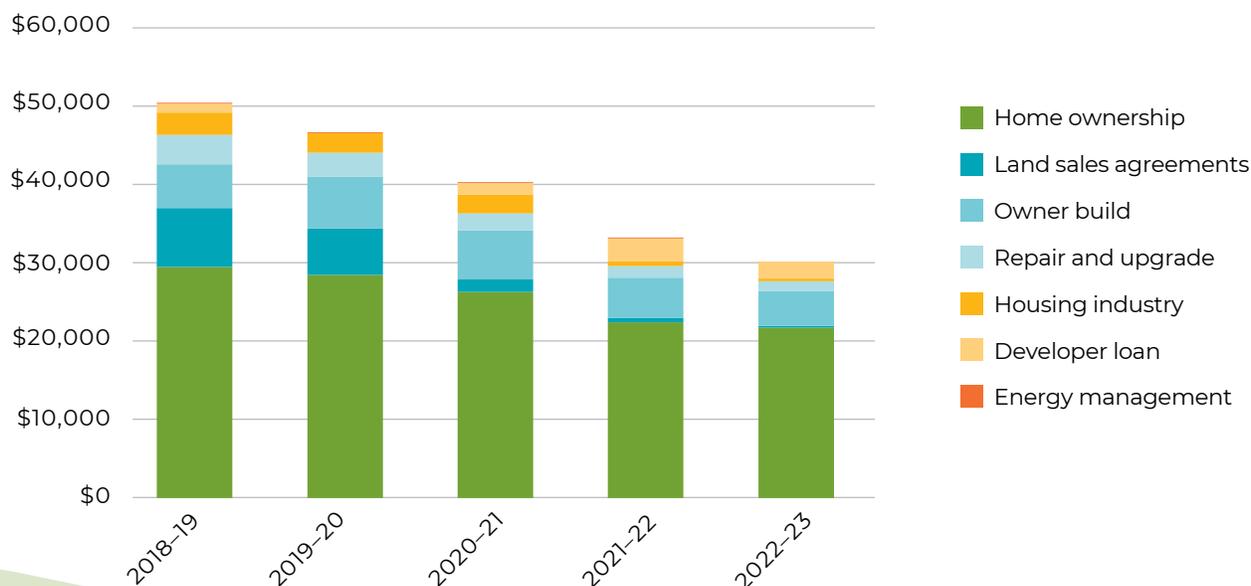


Financial position

At March 31, 2023 the financial assets decreased by \$6.8 million from the prior year to \$38.3 million. Current assets consist of cash and accounts receivable. On a net basis, current assets have decreased by \$2.0 million due to a decrease in accounts receivable of \$4.3 million offset by a \$2.3 million increase in cash. Long-term assets fell by \$4.8 million as a result of a \$2.9 million decrease in loans (see notes 6) and \$1.9 million decrease of funds due from Yukon government.

Seventy-seven per cent (77%) of the Corporation's financial assets is made up of mortgages and loans receivable. However, mortgages and loans receivable have been decreasing since 2016–17 as legacy programs and mortgages are repaid. (See table – Loans Receivable – below.)

LOANS RECEIVABLE (AMOUNT IN \$000s)



At the end of the 2022–23 fiscal year, liabilities decreased by \$7.5 million from prior year to \$50.2 million. The primary contributors are reductions in advances from Government of Yukon of \$5.5 million (see note 12), long term-debt of \$1.1 million (see note 9), accounts payable and accrued liabilities of \$0.5 million, Asset Retirement Obligation of \$0.5 million (see notes 3 and 20), Canada Mortgage and Housing Corporation deferred revenue of \$0.3 million (see note 8); offset by an increase in environmental liability of \$0.4 million. (See note 7.)

At March 31, 2023 tangible capital assets increased by \$1.7 million from 2021–22 fiscal year to \$115 million. This increase consists of additions to social and staff housing \$6.1 million, and furnishings and equipment \$0.8 million; offset by \$0.55 million change in ARO estimate, \$4.6 million of amortization and \$0.05 million write down. The assets are capitalized over 3 to 50 years. Prepaid expenses have increased by \$0.2 million.

Financial operations

Revenues decreased by \$4.0 million from the prior year to \$18.2 million. This is primarily due to a one-time \$3.0 million receipt of funding from Canada Mortgage and Housing Corporation (CMHC) in the prior year for three capital housing projects and a \$0.6 million decrease in deferred revenues from CMHC. Higher staff housing rent and an increase in social housing tenants led to an increase of \$0.2 million in rental income. Interest income during the fiscal year decreased by \$0.1 million from reduction in various loans receipts, and \$0.5 million decrease in other revenues.

As COVID-19 prevention measures were lifted, the Corporation resumed and expanded its repairs and maintenance activities under its social and staff operations to address the backlog and recommendations from the Auditor General of Canada's 2021-22 Yukon housing performance audit. Expenses increased by \$5.6 million from the prior year to \$37 million. This is a result of increases in social and staff operations \$5.4 million; increases in lending and grant programs \$0.1 million; increase

in amortization \$0.4 million; decreases in corporate services \$0.5 million; increases in rent supplement programs \$0.2 million and increases in subsidies expenses \$0.03 million.

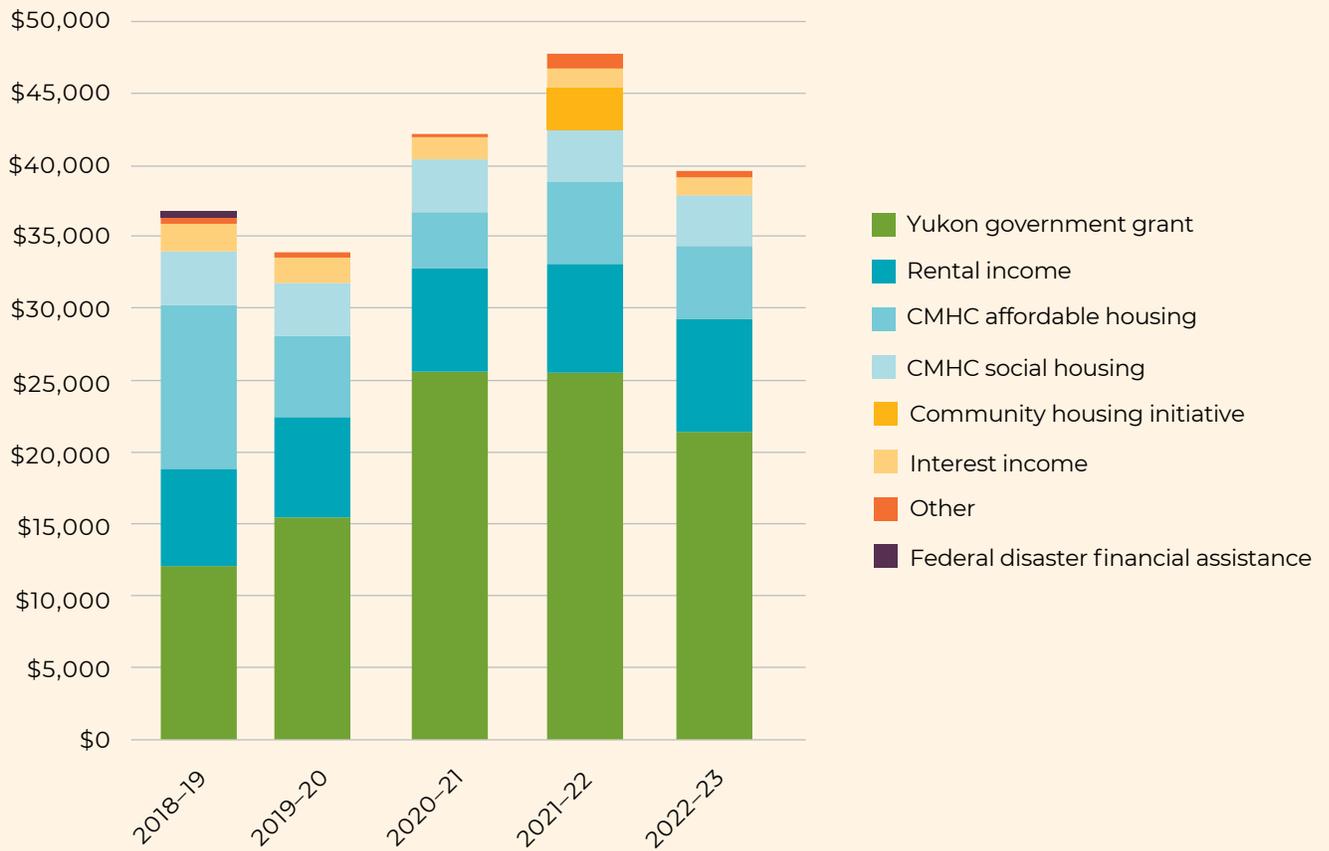
The Government of Yukon funding decreased by \$4.6 million from the prior year to \$21.0 million.

This is largely due to a decrease of \$5.0 million in Government of Yukon net transfer revenues and an increase of \$0.4 million for the low carbon economy fund.

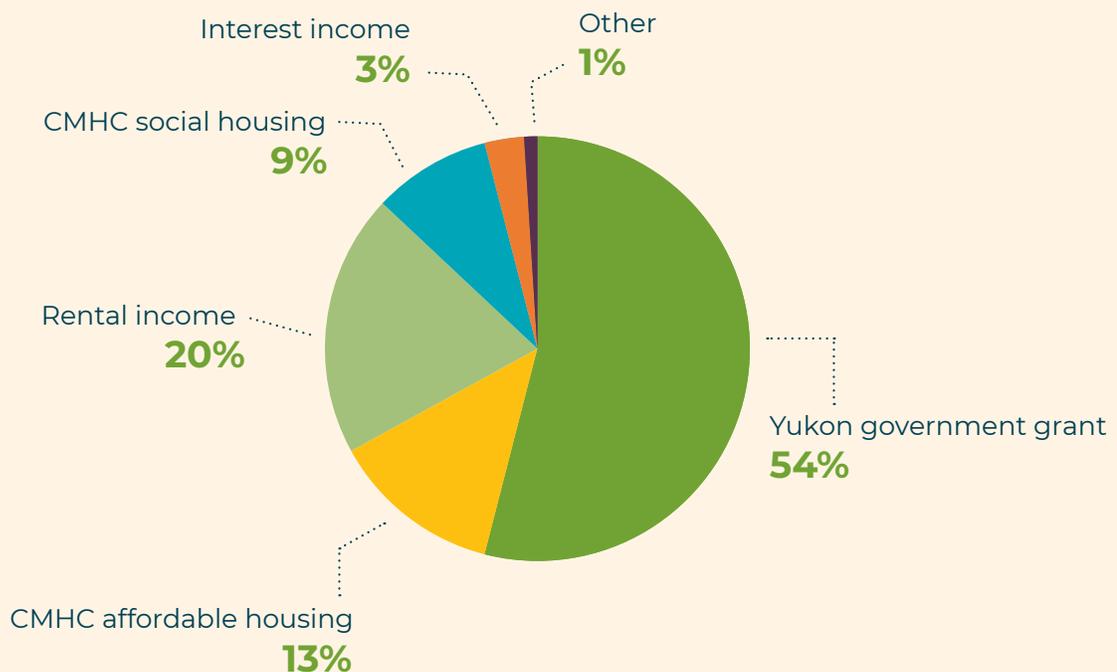
Overall, expenses were below the published 2022-23 Main Estimates particularly in the lending and grant programs due to project delays and lower uptake from clients. Revenues were lower than the Main Estimates due to deferral of projects under the Northern Carve Out funding from CMHC.



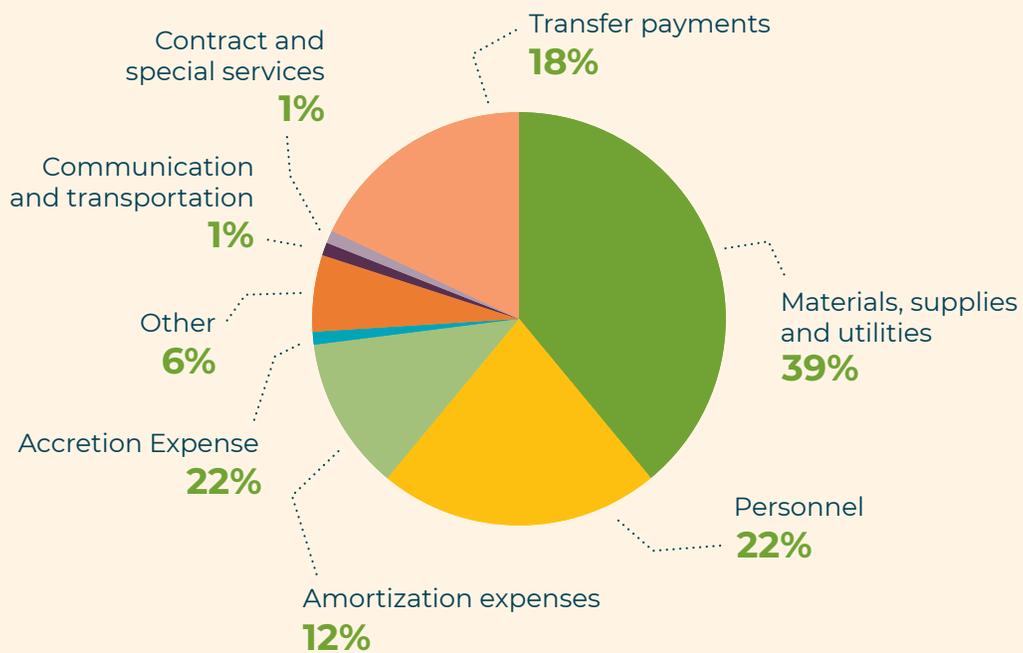
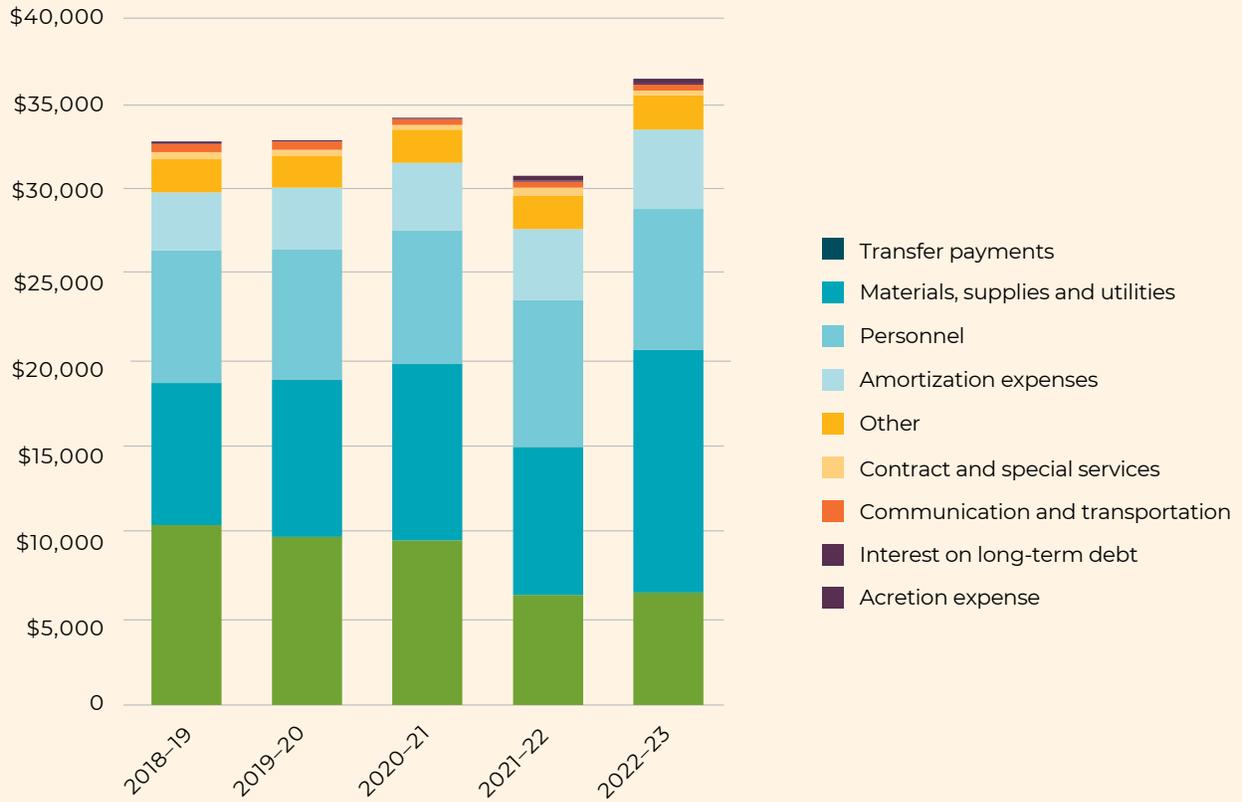
REVENUES AND YG FUNDING (AMOUNT IN \$000s)



REVENUES



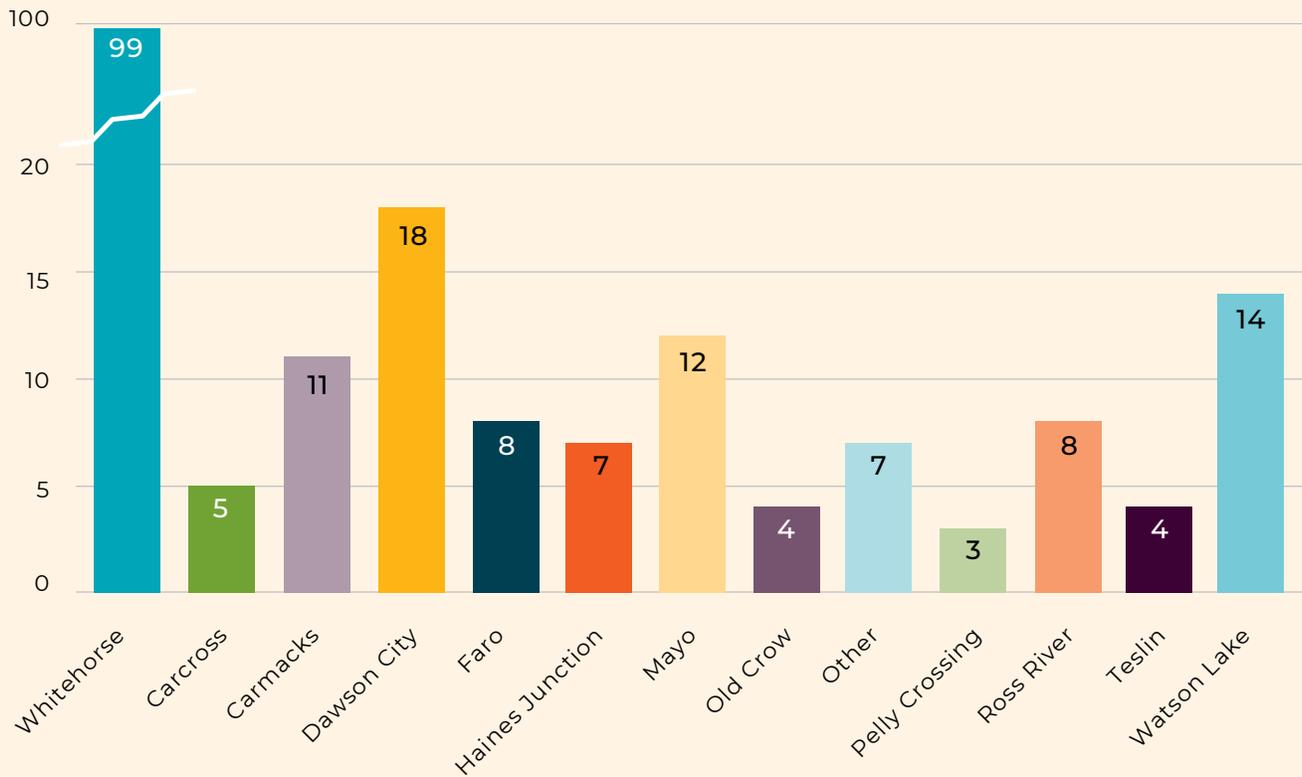
EXPENSES (AMOUNT IN \$000s)



Local procurement

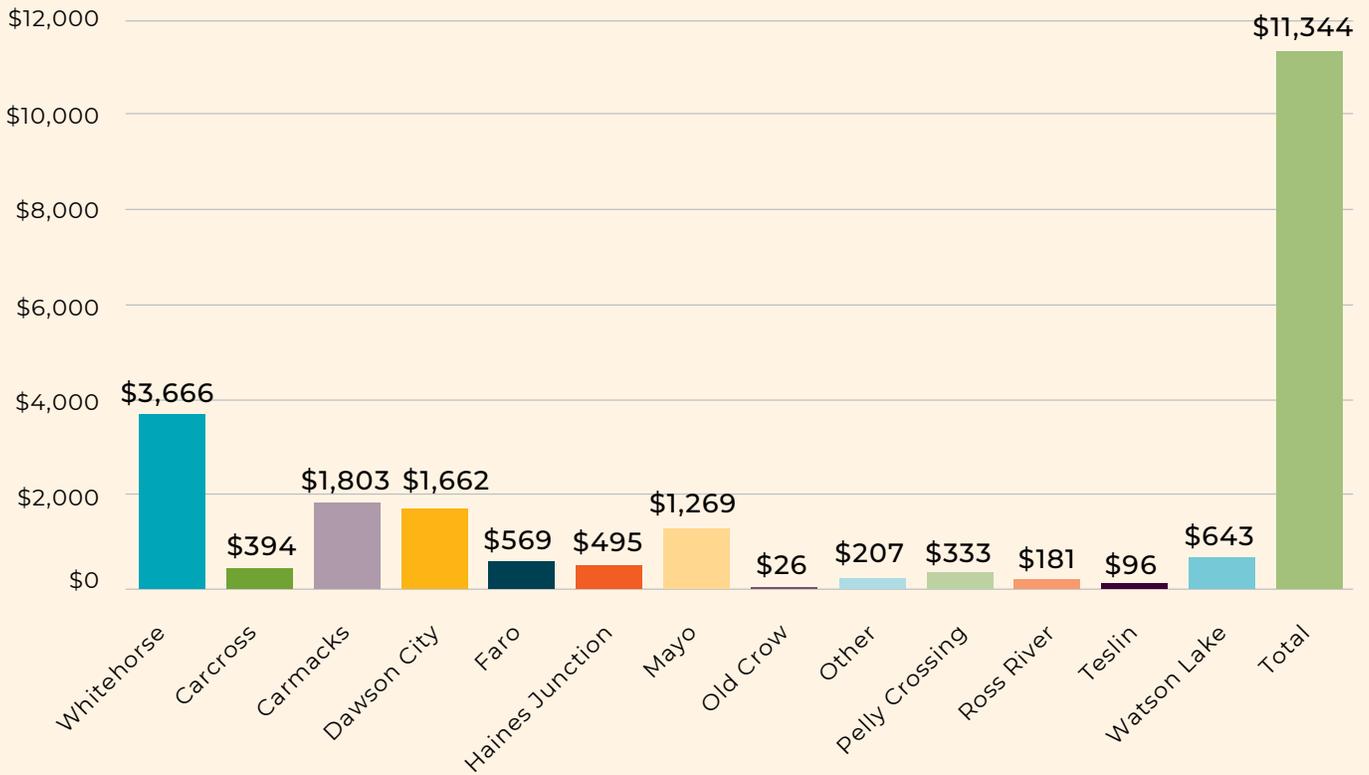
As a major property owner in the territory, the Corporation has a significant economic impact on local contracting businesses. The Corporation ensures that its procurement methods follow diligently the Yukon government procurement directives and procurement bylaws as part of its commitment to good governance.

NUMBER OF CONTRACTS AWARDED PER COMMUNITY 2022–2023*



*Data is provided by YG Contract Registry system

TOTAL CONTRACT VALUE BY COMMUNITY 2022-2023* (AMOUNT IN \$000s)



*Data is provided by YG Contract Registry system

Financial report

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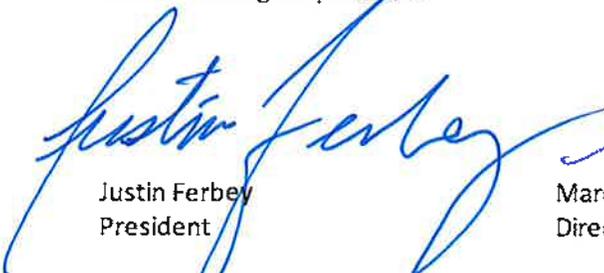
YUKON HOUSING CORPORATION
Management's Responsibility for Financial Reporting

The financial statements contained in this annual report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of the data in these financial statements are management's responsibility.

Management is responsible for developing and maintaining 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 Yukon Housing Corporation (the Corporation).

The Board of Directors (the Board) is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Finance Audit and Risk 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 Finance Audit and Risk Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their approval.

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



Justin Ferbey
President



Marcel Holder Robinson, CPA, CGA
Director, Finance and Risk Management

October 26, 2023



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Housing Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yukon Housing Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2023, and the statement of operations and accumulated surplus, statement of change in (net debt) net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2023, and the results of its operations, changes in its net debt, and its 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 Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the 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.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Yukon Housing Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Housing Corporation Act* and regulations, and the by-laws of the Yukon Housing Corporation.

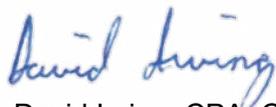
In our opinion, the transactions of the Yukon Housing Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Housing Corporation Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the change in method of accounting for asset retirement obligations as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Housing Corporation and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Yukon Housing Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Yukon Housing Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



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

Edmonton, Canada
26 October 2023



Yukon Housing Corporation
Statement of Financial Position
as at March 31, 2023

	2023	2022 Restated - Note 3
	(thousands of dollars)	
Financial assets		
Cash (Note 4)	\$ 6,804	\$ 4,504
Accounts receivable (Note 5)	691	4,970
Due from the Government of Yukon (Note 15(a))	1,281	3,152
Mortgages and loans receivable (Note 6)	29,515	32,417
	<u>38,291</u>	<u>45,043</u>
Liabilities		
Accounts payable and accrued liabilities	7,033	7,534
Environmental liability (Note 7)	579	184
Asset retirement obligation (Note 20)	9,962	10,410
Deferred revenue (Note 8)	2,993	3,293
Long-term debt (Note 9)	9,638	10,794
Post-employment benefits (Note 10)	2,497	2,509
Advances - Government of Yukon (Note 12)	17,523	23,001
	<u>50,225</u>	<u>57,725</u>
(Net debt) net financial assets	<u>(11,934)</u>	<u>(12,682)</u>
Non-financial assets		
Tangible capital assets (Note 13 and Schedule B)	114,754	113,043
Prepaid expenses (Note 19)	3,644	3,453
	<u>118,398</u>	<u>116,496</u>
Accumulated surplus	<u>\$ 106,464</u>	<u>\$ 103,814</u>
Contractual obligations and contingencies (Note 16)		
Contractual rights (Note 17)		

Approved by the Board of Directors



Director



Director



Yukon Housing Corporation
Statement of Operations and Accumulated Surplus
for the year ended March 31, 2023

	2023		2022
	Main Estimates (Note 1(c))	Actual	Restated - Note 3 Actual
	(thousands of dollars)		
Revenues			
Rental income	\$ 7,050	\$ 7,833	\$ 7,627
Funding from Canada Mortgage and Housing Corporation			
- National Housing Strategy	4,777	4,976	5,202
- Social Housing Agreement	3,518	3,518	3,594
- Northern Funding Agreement	-	140	210
- Investment in Affordable Housing	-	-	47
- Social Infrastructure Fund	-	-	248
- Community Housing Initiative	-	-	3,000
- Northern Carve Out	4,913	-	-
Interest income	1,511	1,305	1,409
Other	20	348	823
Tenant damage charge back recovery	60	59	93
Recovery of loan receivable allowances	-	27	-
	<u>21,849</u>	<u>18,206</u>	<u>22,253</u>
Expenses (Note 14)			
Social and staff housing operations (Schedule A)	18,406	18,691	13,205
Lending and grant programs (Schedule A)	17,094	6,685	6,615
Amortization (Note 14 and Schedule B)	3,900	4,563	4,186
Corporate services (Schedule A)	2,912	2,737	3,259
Administration (Schedule A)	2,822	2,186	2,178
Rent supplement programs	1,408	1,722	1,529
Subsidies - private social housing organizations	617	393	366
	<u>47,159</u>	<u>36,977</u>	<u>31,338</u>
Deficit for the year before government funding	(25,310)	(18,771)	(9,085)
Government of Yukon funding			
Capital transfer revenue	22,547	10,768	17,372
Operations and maintenance transfer revenue	7,626	8,116	6,468
Low Carbon Economy Fund	3,190	2,035	1,679
Rental assistance - in-kind (Note 15(b))	-	502	502
	<u>33,363</u>	<u>21,421</u>	<u>26,021</u>
Surplus for the year	8,053	2,650	16,936
Accumulated surplus at beginning of year, as restated	103,814	103,814	86,878
Accumulated surplus at end of year	\$ 111,867	\$ 106,464	\$ 103,814

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



Yukon Housing Corporation

Statement of Change in (Net Debt) Net Financial Assets

for the year ended March 31, 2023

	2023		2022
	Main Estimates (Note 1(c))	Actual	Restated - Note 3 Actual
	(thousands of dollars)		
Surplus for the year	\$ 8,053	\$ 2,650	\$ 16,936
Effect of change in tangible capital assets			
Acquisitions	(11,953)	(6,885)	(22,638)
Change in ARO estimate	-	555	-
Amortization of tangible capital assets	3,900	4,563	4,186
Disposal of tangible capital assets (net book value)	-	-	-
Write-down of tangible capital assets	-	56	16
	<u>(8,053)</u>	<u>(1,711)</u>	<u>(18,436)</u>
Effect of change in other non-financial assets			
Consumption of prepaid expenses	-	186	73
Purchase of prepaid expenses	-	(377)	(128)
	-	<u>(191)</u>	<u>(55)</u>
Increase (decrease) in net financial assets (net debt)	-	748	(1,555)
Net debt at beginning of year, as restated	(12,682)	(12,682)	(11,127)
Net debt at end of year	<u>\$ (12,682)</u>	<u>\$ (11,934)</u>	<u>\$ (12,682)</u>

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



Yukon Housing Corporation
Statement of Cash Flow
for the year ended March 31, 2023

	2023	2022
		Restated - Note 3
	(thousands of dollars)	
Operating transactions		
Surplus for the year	\$ 2,650	\$ 16,936
Adjustments for non-cash items		
Transfer revenue from Government of Yukon (Note 12)	(3,799)	(16,090)
Amortization of tangible capital assets (Note 13 and Schedule B)	4,563	4,186
Change in estimate of environmental liabilities (Note 7)	395	-
Accretion expense (Note 20)	256	250
Post-employment benefits expense (Note 10)	265	385
Bad debt expense (Schedule A)	(161)	157
Gains from tangible capital asset additions (Note 13)	-	(669)
Write-downs (Schedule B)	56	16
Mortgages receivable allowances / discounts (Note 6)	(62)	(370)
	<u>4,163</u>	<u>4,801</u>
Changes in accruals of operating cash receipts or (payments)	<u>4,751</u>	<u>1,822</u>
Cash provided by operating transactions	<u>8,914</u>	<u>6,623</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(8,422)</u>	<u>(21,768)</u>
Cash (used for) capital transactions	<u>(8,422)</u>	<u>(21,768)</u>
Investing transactions		
Issuances of mortgages receivable	(4,185)	(3,997)
Repayments of mortgages receivable	6,707	8,409
Repayments of land sales agreements receivable	442	958
Cash provided by investing transactions	<u>2,964</u>	<u>5,370</u>
Financing transactions		
Repayments of long-term debt	(714)	(710)
Repayments of land sales agreements payable	(442)	(958)
Cash (used for) provided by financing transactions	<u>(1,156)</u>	<u>(1,668)</u>
Increase (decrease) in cash	2,300	(11,443)
Cash at beginning of year (Note 4)	4,504	15,947
Cash at end of year (Note 4)	\$ 6,804	\$ 4,504
Interest received in the year	\$ 1,305	\$ 1,527
Interest paid in the year	50	69

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



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

1. Authority and operations

(a) Authority

Yukon Housing Corporation (the Corporation) was established in 1972 by the *Housing Corporation Act* of Yukon to undertake, carry to completion, or assist in the provision, development, maintenance and management of housing. The Corporation is subject to the *Financial Administration Act* of Yukon. Disbursements for operations and loans are authorized by the Yukon Legislative Assembly through the *Appropriation Acts*.

(b) Mission

The mission of the Corporation is to work collaboratively to provide responsive and innovative solutions to diverse housing needs and vulnerabilities.

In carrying out its mission, the Corporation provides rental housing at below market rents to applicants who qualify for social housing. Rental income received from housing tenants is less than the associated costs of supplying these rental units. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

Pursuant to Section 45(1) of the *Housing Corporation Act*, the Commissioner in Executive Council has established Housing Advisory Boards in the communities of Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin, Watson Lake and Whitehorse. Local Housing Advisory Boards involve local community members in the decision making process regarding housing in their community. They provided advisory services to the Corporation and a review function in appeals of decisions made by the Corporation. In 2021-22, these housing advisory boards became inactive.

(c) Main estimates

The Main Estimates figures are from the Main Estimates approved in the Yukon Legislative Assembly in 2022. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Yukon Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows:

(a) Funding and advances from the Government of Yukon

A funding agreement between the Corporation and the Government of Yukon authorizes the Government of Yukon to provide the Corporation with an annual operations and maintenance transfer payment and a capital transfer payment. The transfer payments are equal to the Corporation's actual net operating deficit and net capital expenditures calculated in accordance with the funding agreement and reported to the Government of Yukon in the Corporation's final Period 12 Variance Report. The transfer payments are recognized in accordance with the Corporation's policy for the recognition of government transfers (Note 2(j)). Advances provided by the Government of Yukon in excess of the transfer payments are recorded as a liability of the Corporation (Note 12).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

2. Significant accounting policies (continued)

(a) Funding and advances from the Government of Yukon (continued)

The free rental of a social housing building provided by the Government of Yukon to the Corporation is recorded as rental assistance in-kind revenue and offsetting building services in-kind expenses (Note 15(b) and Schedule A).

(b) Cash

Cash includes cash on hand, bank balances and bank indebtedness repayable on demand.

(c) Housing inventory

The Corporation recognizes a house for sale as inventory when all of the following criteria are met prior to the date of the financial statements: sale of the asset is approved; the asset is in a condition to be sold; the asset is publicly seen to be for sale; there is an active market for the asset; there is a plan in place for selling the asset; and it is reasonably anticipated that the sale to the third party will be completed within one year. The asset held for sale is measured at the lower of cost less any valuation allowance or fair value less cost to sell.

(d) Mortgages and loans receivable

Mortgages receivable are fully secured and recorded at amortized cost less any amount for valuation allowances. Based on historical loss experience, management establishes a valuation allowance for impaired loans. Mortgages are classified as impaired when the Corporation 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.

Under the Social Housing Agreement 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 Program mortgage. These subsidies vary in amount depending on the income of the recipients and are expensed when incurred. CMHC funding provided to the Corporation includes an amount for subsidies.

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. Each year, the Corporation records an allowance for Home Repair Program subsidies based on loans receiving a subsidy at year end.

Loans with concessionary terms are reviewed annually.

Concessionary loans are recorded at the discounted value of the loan after the grant portion has been charged to concessionary loan discount expense. For concessionary loans, subsequent to initial valuation, the loans are carried at amortized costs using the effective interest method. The discounted value and the effective interest rate are determined using the Corporation's average borrowing rate at the date of issuance. The grant portion is calculated as the difference between the face value and the discounted value of the loan and is recorded as concessionary loans discount expense at the date of issue. The amortization of the discount would be recorded as an increase in the loan balance and an increase to interest income.

Housing industry loans are provided to private organizations and individuals as a way to finance the construction of more affordable rental units. These loans are also provided to organizations that are seeking financing to build shelters to accommodate social programs.

Loans receivable from lots sold to purchasers for residential, commercial and recreational purposes under land sales agreements are recorded at the lower of cost or net recoverable value.



2. Significant accounting policies (continued)

(e) Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Costs include all cost directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use. Cost incurred for maintenance and repairs are accounted for as expenses in the Statement of Operations and Accumulated Surplus. Assets under construction are not amortized until available for use. On an annual basis, the Corporation reassess the useful life of their assets, during the year the housing assets have been revised.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social housing projects	40 - 50 years
Social housing betterment	15 years
Staff housing projects and other facilities:	
Standard construction	40 - 50 years
Mobile home units	20 - 30 years
Office building	40 - 50 years
Other facilities	15 years
Furnishings and equipment	5 to 15 years
Vehicles	6 years
Computer systems	3 years
Leasehold improvements	remaining lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services. The write-downs are accounted for as expenses in the Statement of Operations and Accumulated Surplus.

(f) Environmental liabilities

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. The Corporation recognizes a provision for environmental clean-up when all of the following conditions are prevalent: an environmental standard exists; the level of contamination has been determined to exceed the environmental standard; the Corporation is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made at that time. A liability is recognized and the costs associated with the clean-up are expensed during the year when the Corporation is obligated to incur such costs. The estimate of a liability includes costs directly attributable to remediation activities. Costs would include post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

2. Significant accounting policies (continued)

(g) Post-employment benefits

Post-employment benefits are expected to be provided to employees of the Corporation after employment but before retirement. These benefits include severance benefits and accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Corporation recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses. Net actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the active employees commencing with the period following the determination of the net actuarial gains or losses.

(h) Retirement benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(i) Revenue recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized as the stipulation liabilities are settled.

Interest income on mortgages is recognized using the effective interest method. When a mortgage becomes impaired, recognition of interest ceases; thereafter, interest income for impaired loans is recognized on a cash basis.

Rental income is recorded on an accrual basis.

(j) Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when authorized and recipients have met eligibility criteria.



2. Significant accounting policies (continued)

(k) Asset retirement obligation

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 the Corporation 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 asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The discount rate used reflects the Corporation's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset and amortized over the asset's estimated useful life. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period. An asset retirement obligation 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. The Corporation 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. The Corporation 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 they are made.

Yukon Housing Corporation reviews its estimates of Asset Retirement Obligations annually.

(l) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and contingencies. By their nature, these estimates are subject to measurement uncertainty. As adjustments to these estimates become necessary, they are recorded in the financial statements in the year they become known. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant; although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable.

Significant management estimates include: valuation of mortgages and loans receivable, valuation of accounts receivable, determination of amortization, valuation of post-employment benefits, estimation of contingencies, environmental liabilities and asset retirement obligations.



2. Significant accounting policies (continued)

(l) Measurement uncertainty (continued)

Contingencies result from uncertain situations whose outcome depends on one or more future events. Contingent liabilities are possible liabilities which could become actual liabilities if one or more future events occur. If it is likely that an event could occur, and a reasonable estimate of the liability can be made, a provision is recognized, and the expenses is recorded. If the likelihood of the event cannot be determined or if the amount involved cannot be reasonable estimated, a contingency is disclosed in the notes to the Financial Statement.

The estimation of the environmental liabilities is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for clean-up and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the environmental liabilities cannot be reasonably determined. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant.

The estimation of asset retirement obligation is subject to high degree of uncertainty because the existence and extent of contamination, and the associated cost of remediation cannot be reliably estimated in all circumstances. The best estimate of an asset retirement obligation incorporates a present value technique when the cash flow required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended periods. The discount rate used reflects the Corporation's cost of borrowing associated with the estimated number of years to complete the retirement or remediation. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant. Management reviews the carrying amount of liability, discount rates used at each financial reporting date.

(m) Related party transactions

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

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.

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

The Corporation receives certain services provided by the Government of Yukon without charge (Note 15(b)).



2. Significant accounting policies (continued)

(n) Financial Instruments

The Corporation's financial instruments include cash, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities and long term debt. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2023.

Financial Assets	Measurement Basis
Cash	Cost
Accounts receivable	Cost
Mortgages & loans receivable	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, the Statement of Remeasurement Gains and Losses has been excluded. Financial instruments measured at amortized cost use the effective interest rate method.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations.



3. Adoption of new accounting standards

(a) PS 3450 - Financial Instruments

Effective April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3450 - Financial Instruments. Adoption of this new standard also required the adoption of PS 2601 - Foreign Currency Translation, PS 1201 - Financial Statement Presentation, and PS 3041 - Portfolio Investments in this same year. Items within the scope of the standard are assigned a measurement category of either fair value, cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement or foreign currency translation will be reported in the Statement of Remeasurement of Gains and Losses. Since no financial instruments are currently measured at fair value, the Statement of Remeasurement of Gains and Losses is not presented. The Corporation has adopted these standards using a prospective application. The adoption of these standards did not significantly impact the financial statements.

(b) PS 3280 – Asset Retirement Obligations:

On April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 – Asset Retirement Obligations (ARO). The standard was adopted on the modified retroactive basis with restatement at the date of adoption. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The restatement was calculated using assumptions and discount rates that were current at the beginning of this fiscal year; as a result, the total restatement in tangible capital assets and accumulated amortization together with an adjustment to the opening balance of accumulated surplus, was equivalent to the increase in the asset retirement obligation.

Upon adoption of the standard, the Corporation used a discount rate of 2.5%, which reflects the Corporation's cost of borrowing. In the future, the carrying amount of the liability, discount rate and other key assumptions will be reassessed at each financial reporting date.

The adoption of PS 3280 resulted in the addition of a new ARO in the amount of \$10,182,000, a net increase in tangible capital assets of \$1,596,000 and a net decrease to accumulated surplus of \$8,586,000 as at April 1, 2022. In addition to those adjustments, surplus for 2021-22 was also adjusted by \$250,000 for accretion expense, \$107,000 for amortization and \$22,000 for ARO disposal of buildings.

Refer to Note 20 for the current details of the Corporation's asset retirement obligation.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

3. Adoption of new accounting standards (continued)

The restatement of the comparative figures is summarized in the table below

	2022	2022	
		(thousands of dollars)	
	(as previously reported)	Restatement	(Restated)
Statement of Financial Position			
Liabilities			
Asset Retirement Obligation	-	10,410	10,410
Total Liabilities	47,315	10,410	57,725
 (Net Debt) net financial assets	 (2,272)	 (10,410)	 (12,682)
 Non-financial Assets			
Tangible capital assets	111,554	1,489	113,043
Total Non-financial assets	115,007	1,489	116,496
 Accumulated Surplus	 112,735	 (8,921)	 103,814
 Statement of Operations			
Expense			
Social and staff housing	12,977	228	13,205
Amortization expense	4,079	107	4,186
 Total expenses	 31,003	 335	 31,338
 Deficit for the year before government funding	 (8,750)	 (335)	 (9,085)
 Accumulated Surplus at beginning of year	 95,464	 (8,586)	 86,878
Surplus for the year	17,271	(335)	16,936
Accumulated Surplus at end of year	<u>112,735</u>	<u>(8,921)</u>	<u>103,814</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

3. Adoption of new accounting standards (continued)

Statement of Change in (Net Debt) Net Financial Assets

Surplus for the year	17,271	(335)	16,936
Effect of change in tangible capital assets			
Amortization of tangible capital asset	4,079	107	4,186
Total	18,543	(107)	18,436
Increase (Decrease) in net financial assets (net debt)	(1,327)	(228)	(1,555)
Net debt at beginning of year, as restated	(945)	(10,182)	(11,127)
Net debt at end of year, as restated	<u>(2,272)</u>	<u>(10,410)</u>	<u>(12,682)</u>

Statement of Cash Flow

Operating transactions			
Surplus for the year	17,271	(335)	16,936
Amortization of tangible capital asset	4,079	107	4,186
Accretion expense	-	250	250
Subtotal	4,779	22	4,801
Changes in accruals of operating cash receipts or (payments)	1,844	(22)	1,822

Schedule A

Social and Staff Housing Operation			
General Maintenance	3,475	(22)	3,453
Accretion expense	-	250	250
Total	12,977	228	13,205



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

3. Adoption of new accounting standards (continued)

Note 13 Tangible Capital Assets and Schedule B

Cost of tangible capital assets at beginning of year

Social housing	145,712	3,157	148,869
Staff housing	22,465	1,349	23,814
Office buildings	1,954	184	2,138
Other facilities	538	21	559
Total	179,751	<u>4,711</u>	184,462

Accumulated Amortization at beginning of year

Social housing	50,125	2,136	52,261
Staff housing	13,857	925	14,782
Office buildings	1,555	144	1,699
Other facilities	537	17	554
Total	68,197	<u>3,222</u>	71,419

Net Book Value

Social housing	95,587	1,021	96,608
Staff housing	8,608	424	9,032
Office buildings	399	40	439
Other facilities	1	4	5
Total	111,554	<u>1,489</u>	113,043

Note 14 Expenses by Object

Materials, supplies and utilities	8,608	(22)	8,586
Amortization	4,079	107	4,186
Accretion expense	-	250	250
Total	31,003	<u>335</u>	31,338

Note 20 - Asset Retirement Obligation

Opening balance	-	10,182	10,182
Accretion expense	-	250	250
Retirement	-	(22)	(22)
Closing balance	-	<u>10,410</u>	10,410



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

4. Cash

	2023	2022
	(thousands of dollars)	
Cash		
Bank balances	\$ 6,801	\$ 4,501
Cash on hand	3	3
	<u>\$ 6,804</u>	<u>\$ 4,504</u>

The Corporation has an overdraft facility with its bank of up to \$11,000,000 at bank prime less 0.85% (2022 - bank prime less 0.85%). At year end, the bank prime rate was 6.70% (2022 - 2.70%). The overdraft is guaranteed by the Government of Yukon.

5. Accounts receivable

	2023	2022
	(thousands of dollars)	
Due from Canada Mortgage and Housing Corporation		
- National Housing Strategy	\$ -	\$ 4,472
- Social Housing Agreement	231	236
Receivable from tenants	971	896
Other receivables	419	457
Less: Valuation allowance for receivable from tenants	(863)	(1,023)
Less: Valuation allowance for other receivables	(67)	(68)
	<u>\$ 691</u>	<u>\$ 4,970</u>

Valuation allowance for tenants and other receivables is calculated based on amounts greater than 90 days which exclude amounts due from Yukon Government as there is an expectation of collection.

On August 14, 1998 the Corporation entered into an agreement with CMHC to access funding under the Social Housing Agreement (SHA). Under this 31 year agreement (1999/2000 to 2029/2030) CMHC agreed to contribute up to \$114,379,000 for the Corporation to assume full responsibility for the management of various public housing programs specified in the SHA. As at March 31, 2023 the amount receivable under the SHA is \$231,000 (2022 - \$236,000).

On April 1, 2018 the Corporation entered into an agreement with CMHC to access funding under the National Housing Strategy Agreement (NHS). Under this 10 year agreement (2019/2020 to 2027/2028) CMHC agreed to contribute up to \$28,269,700 (various amounts each year) for project commitments made by the Corporation to increase access to housing, reduce housing need and achieve better housing solutions across the spectrum. As at March 31, 2023 the amount receivable under the NHS is \$0 (2022 - \$4,472,050).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

6. Mortgages and loans receivable

	Stated interest rates %	2023 (thousands of dollars)	2022 (thousands of dollars)
Mortgages receivable			
Home Ownership	0.00 - 5.39	\$ 21,743	\$ 22,406
<p>Loans with terms up to five 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 2028. Rural and Native Home Ownership mortgages receiving subsidies (Note 2(d)) at March 31, 2023 were \$0 (2022 - \$6,000).</p>			
Owner Build	3.64 - 5.39	4,482	5,081
<p>Loans are advanced during the construction phase of a home for a maximum period of two years with interest of 1% below posted average five year rate of major banks. Repayment terms are up to five years, commencing upon completion of construction, secured by registered charges against real property with maturities up to 2028.</p>			
Developer Build	3.75	2,103	3,000
<p>Loans are advanced during the construction phase of a home for a maximum period of two years with interest of 1% below posted average five year rate of major banks. Repayment terms are up to five years, commencing upon completion of construction, secured by registered charges against real property with maturities up to 2025.</p>			
Repair and Upgrade	0.00 - 7.70	1,288	1,499
<p>Loans with terms up to 12 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 2029. Mortgages receiving subsidies (Note 2(d)) and forgiveness at March 31, 2023 were \$0 (2022 - \$29,000).</p>			
Energy Management	3.70	-	1
<p>Loans with terms up to 17 years, secured by registered charges against real property or chattel mortgages, repayable in periodic instalments with maturities up to 2022.</p>			



Yukon Housing Corporation
 Notes to the financial statements
 for the year ended March 31, 2023

6. Mortgages and loans receivable (continued)

	Stated		
	interest rates	2023	2022
	%	(thousands of dollars)	
Housing Industry Loans	1.75 - 5.70	341	492
Loans with terms up to 25 years, secured by registered charges against real property or general security agreements, repayable in blended bi-weekly or monthly payments at fixed rates of interest with maturities up to 2027.			
Subtotal mortgages receivable		29,957	32,479
Less: Allowance for Home Repair Program subsidies		-	(29)
Less: Discount for loans receivable with concessionary terms*		(458)	(491)
Less: Allowance for impaired loans		(181)	(181)
Net mortgages receivable		29,318	31,778
Land sales agreements receivable	5.00	197	639
Unsecured loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2024.			
Total loans receivable		\$ 29,515	\$ 32,417

*The total remaining principal \$ 1,418 is for 11 loans.

These mortgages and loans receivable earn interest at the following weighted average rates:

	2023	2022
Mortgages receivable	3.93%	3.45%
Land sales agreements receivable	5.00%	5.00%



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

7. Environmental liability

Changes in the environmental liability are as follows:

	2023	2022
	(thousands of dollars)	
Balance at beginning of year	\$ 184	\$ 216
Actual expenditures in current year relating to fuel oil spills	-	(32)
Revision of estimated remediation cost of existing sites	120	-
New sites assessed during fiscal year	275	-
Balance at end of year	<u>\$ 579</u>	<u>\$ 184</u>

Notable sites within the environmental liability include:

The Corporation is planning to remove five of its underground fuel tanks at its head office in Whitehorse. Based upon past experience with similar projects, the Corporation is forecasting \$275,000 to remediate potential fuel spills. This forecast may change as remediation is started in the fall of 2023.

In fall 2010, it was confirmed that approximately 20,000 liters of fuel oil spilled under two Yukon Housing Corporation properties in Dawson City. The remediation plan and projected future costs were prepared by independent consultants, and the remediation started in the summer of 2011. Remediation has been completed and future expenditures of \$96,389 (2022 - \$36,389) at year end are for ongoing water and soil monitoring.

In the summer of 2015, a split fuel line occurred under a house in Dawson City. Approximately 800 liters of fuel leaked from the oil storage tank. The projected future expenditures at year end associated with this spill are estimated at \$100,000 (2022- \$100,000).

Projected future expenditures at year end for site monitoring of \$108,000 (2022 - \$48,000) are for ongoing ground water and soils monitoring for remediated oil spill sites in Old Crow and Watson Lake (2022 - Old Crow and Watson Lake).

8. Deferred revenue

	2023	2022
	(thousands of dollars)	
Canada Mortgage and Housing Corporation (CMHC) funding		
- National Housing Strategy	\$ 2,294	\$ 2,494
- Investment in Affordable Housing	275	275
- Yukon First Nations - Multi-unit Residential Building Workshop	127	145
- Northern Funding Agreement	-	140
Unearned rent	297	239
	<u>\$ 2,993</u>	<u>\$ 3,293</u>

Unearned rent relates to prepayments made by tenants for future months.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

9. Long-term debt

	Stated <u>interest rates</u> %	2023 <u>(thousands of dollars)</u>	2022 <u>(thousands of dollars)</u>
Mortgages payable to chartered banks and CMHC (guaranteed by the Government of Yukon)	1.99 - 2.81	\$ 379	\$ 733
Loans with a variety of terms, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2028, secured by fixed charges against housing projects with net book value of \$1,819,126 (2022 - \$2,042,310).			
Loans payable to chartered banks and CMHC (guaranteed by the Government of Yukon)	7.50 - 9.50	412	522
Unsecured loans repayable in blended periodic installments at fixed rates of interest to maturity and with maturities up to 2028.			
Loans payable to the Government of Yukon	0.00	8,650	8,900
Repayable without interest in periodic instalments to 2027.			
Land sales agreements due to the Government of Yukon, unsecured	0.00	197	639
Repayable without interest in periodic instalments to 2025.			
Total long-term debt		<u>\$ 9,638</u>	<u>\$ 10,794</u>

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

	2023	2022
Mortgages payable to chartered banks and CMHC	2.73%	2.53%
Loans payable to chartered banks and CMHC	7.93%	7.91%

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

	Loans Payable				Land Sales Agreements	Total
	Mortgages Payable	Banks and CMHC	Government of Yukon			
	(thousands of dollars)					
2024	\$ 129	\$ 119	\$ 250	\$ 170	\$ 668	
2025	54	128	250	27	459	
2026	55	139	5,150	-	5,344	
2027	57	11	3,000	-	3,068	
2028	59	12	-	-	71	
Thereafter	25	3	-	-	28	
Total	<u>\$ 379</u>	<u>\$ 412</u>	<u>\$ 8,650</u>	<u>\$ 197</u>	<u>\$ 9,638</u>	

At March 31, 2023, the Corporation did not have any outstanding Government of Yukon Land Sales Agreements principal payments.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

10. Post-employment benefits

The Corporation provides post-employment benefits to its employees based on years of service and salary. These benefits consist of severance benefits and unused sick and vacation leave.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue.

The results measured at March 31 are summarized as follows:

	2023	2022
	(thousands of dollars)	
Accrued benefit liability, beginning of year	\$ 2,509	\$ 2,173
Receipt from Government departments for staff transfers	(18)	73
Add: Post-employment benefits expenses		
Current service costs	208	222
Interest on accrued benefit liability	92	73
Amortization of net actuarial (gains)losses	(17)	17
Less: Benefits paid during the year	(277)	(49)
Accrued benefit liability, end of year	<u>2,497</u>	<u>2,509</u>
Unamortized net actuarial gain	(613)	(328)
Accrued benefit obligation, end of year	<u>\$ 1,884</u>	<u>\$ 2,181</u>

The significant actuarial assumptions were:

	2023	2022
Discount rate	4.80%	4.00%
Inflation	2.00%	2.00%
Expected average remaining service life of active employees	11.8 years	11.6 years
Seniority and Promotional Salary Increases - based on the annual rates from the Public Service Pension Plan	March 31, 2020 valuation report	

The most recent actuarial valuation made for these post-employment benefits was as of March 31, 2023. The next required valuation would be as of March 31, 2026.

Included in the total accrued benefit obligation at March 31, 2023 are vacation leave of \$662,000 (2022 - \$560,000) and accumulated sick leave of \$390,000 (2022 - \$422,000).

The post-employment benefit expense for the financial year is \$265,000 (2022 - \$386,000).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

11. Retirement benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was \$1.02 (2022 - \$1.02) for every dollar contributed by the employee, and \$5.29 (2022 - \$5.91) for every dollar contributed by the employee for the portion of the employee's salary above \$196,200 (2022 - \$191,300). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes \$1.00 (2022 - \$1.00) for every dollar contributed by the employee, and \$5.29 (2022 - \$5.91) for every dollar contributed by the employee for the portion of the employee's salary above \$196,200 (2022 - \$191,300).

Contributions during the year were as follows:

	2023	2022
	(thousands of dollars)	
Employer's contribution	\$ 583	\$ 640
Employees' contribution	581	628

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan benefits and they are indexed to inflation.

12. Advances - Government of Yukon

Advances from the Government of Yukon represent a series of working capital advances by the Government of Yukon to the Corporation. These advances are repayable on demand and without interest.

	2023	2022
	(thousands of dollars)	
Balance at beginning of year	\$ 23,001	\$ 39,091
Cash advanced during the year	15,085	7,750
Settlement of Low Energy Carbon Fund	(1,679)	-
Operations and maintenance transfer payment	(8,116)	(6,468)
Capital transfer payment	(10,768)	(17,372)
	<u>(5,478)</u>	<u>(16,090)</u>
Balance at end of year	<u>\$ 17,523</u>	<u>\$ 23,001</u>

During the year, the Corporation in substance repaid \$3,799,000 (2022 - \$16,090,000) by requesting less cash than what was approved in the operating and capital transfer payments from the Government of Yukon. As a result, this repayment and the corresponding portion of these transfer payments are non-cash transactions.

During the year, the Corporation had a reduction of \$1,679,000 in the advances from the Government by the way of a non-cash settlement of 2021-22 Low Carbon Energy Fund.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

13. Tangible capital assets

	Cost	Accumulated Amortization	2023	2022
			(thousands of dollars)	(Restated Note 3) (thousands of dollars)
			Net Book Value	Net Book Value
Land	\$ 5,189	\$ -	\$ 5,189	\$ 5,189
Social housing	154,586	55,793	98,793	96,608
Staff housing	23,566	15,386	8,180	9,032
Office building	2,118	1,744	374	439
Other facilities	557	556	1	5
Furnishings and equipment	4,349	2,132	2,217	1,770
Computer systems	295	295	-	-
(Schedule B)	<u>\$ 190,660</u>	<u>\$ 75,906</u>	<u>\$ 114,754</u>	<u>\$ 113,043</u>

At March 31, 2023, there were construction projects in progress in the amount of \$3,746,000 (2022 - \$19,062,000). There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

Included in the cost of land are 4 vacant lots with a carrying value of \$1,000.

In 2021-22, the Corporation took ownership of building including land from Options for Independence Society of Yukon (OFI) in exchange of discharging a mortgage owed to the Corporation. The building including land were appraised at \$2,330,000, while the mortgage had \$1,736,000 of principal outstanding. The Corporation has recorded a gain of \$594,000 which is included in prior year Other revenues.

The Government of Yukon is using the space to provide housing with supports and programming for people with Fetal Alcohol Spectrum Disorder. As part of an arrangement with Government of Yukon, the Corporation does not charge rent but instead charges Health & Social Services for operation and maintenance costs.

In 2021-22, the Corporation received a contribution of land from the Municipality of Watson Lake appraised at \$75,000. The Corporation recorded revenue of \$75,000 which was included in prior year Other revenues. The Corporation will begin construction of a new housing complex to support housing needs in the community in the spring of 2023 with an anticipated completion date in 2024 at an estimated cost of \$13,100,000.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

14. Expenses by object

	2023	2022
	(thousands of dollars)	(Restated note 3) of dollars)
Transfer payments (Grants/Program advances)	\$ 6,551	\$ 6,455
Materials, supplies and utilities	14,187	8,586
Personnel, training and post-employment benefits	8,210	8,538
Amortization	4,563	4,186
Accretion Expense	256	250
Other	2,537	2,445
Contract and special services	264	440
Communication and transportation	359	371
Interest on long-term debt	50	67
	<u>\$ 36,977</u>	<u>\$ 31,338</u>

15. Related party transactions and balances

In addition to those related party transactions disclosed elsewhere in these financial statements (Notes 9, 12, 13 and 17), the Corporation enters into transactions with related entities in the normal course of business.

(a) Due from (to) the Government of Yukon

	2023	2022
	(thousands of dollars)	of dollars)
Accounts payable	\$ (946)	\$ (1,076)
Accounts receivable	191	390
Amount due re: Canada - Yukon Low Carbon Economy Fund	2,036	3,838
Net amount due from the Government of Yukon	<u>\$ 1,281</u>	<u>\$ 3,152</u>

(b) Other transactions

The Government of Yukon provides life insurance and medical benefits to the Corporation's retired personnel, which are provided without charge and not recorded in the financial statements.

The value of administrative services provided by the Government of Yukon to the Corporation is estimated in 2023 to be \$32,631 (2022 - \$32,088). The value of territorial agent services provided by the Corporation to the Government of Yukon for 2023 is estimated to be \$192,509 (2022 - \$144,683). These services are provided without charge and not recorded in the financial statements.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

15. Related party transactions and balances (continued)

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimbursed the Government for personnel expenses (Note 14 and Schedule A) paid of \$8,063,000 during 2023 (2022 - \$8,064,000) which are recorded at the exchange amount.

In 2008, the Corporation entered into an agreement with the Government of Yukon for the use of a 48 unit seniors' social housing constructed as part of the Athletes' Village in Whitehorse. The Corporation is responsible for the operation and maintenance of the facility. The value of services provided without charge, relating to the use of this building by the Corporation, is estimated in 2023 to be \$502,000 (2022 - \$502,000) based on the Government of Yukon's amortization expense.

During 2023, the Corporation was charged \$651,000 (2022 - \$327,000) by the Government of Yukon for information technology support services, office rental, office supplies, computer software licensing, vehicle rental services and other upgrades. These charges are recorded at the exchange amount.

16. Contractual obligations and contingencies

	<u>2023</u>	<u>2024</u>	<u>2025</u>
	(thousands of dollars)		
Outstanding contractual obligations to complete the funding of mortgages receivable at end of year	\$ 1,326	\$ 57	\$ -
Outstanding contractual obligations to complete agreements and contract commitments at end of year	\$ 6,179	24	4
Annual subsidies to private social housing organizations	375	375	375
	<u>\$ 7,880</u>	<u>456</u>	<u>379</u>

In the normal course of operations, the Corporation is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material financial impact on the Corporation's financial position, results of its operations or its cash flows.

Pursuant to an agreement signed with CMHC in 1998, the Corporation is liable for a mortgage payable by the Whitehorse Housing Co-operative Association Limited (the Co-operative) in the event of a default. The mortgage matures on July 1, 2025 and the amount payable as at March 31, 2023 was \$220,000 (2022 - \$310,000). Management believes that the Corporation would be able to repay the mortgage in full through the sale of the Co-operative's assets which are made up of twelve single family dwellings (against which the mortgage is made) in the event of a default.

In 2022, the Corporation acted as an agent when it received \$5,000,000 from CMHC. If Safe At Home Society is unable to operate and maintain these housing units for 20 years, the Corporation, in consultation with CMHC, would need to determine an appropriate course of action to ensure the Corporation's adherence to any potential obligation arising from this flow through arrangement.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

17. Contractual rights

The Corporation has contractual rights for the following payments subsequent to March 31, 2023:

	Expiry Date	2023-24	2025-2031	Total
(thousands of dollars)				
CMHC Social Housing Agreement	2030	\$ 3,029	\$ 8,030	\$ 11,059
CMHC Bilateral Agreement				
CMHC Northern Housing	2028	2,400	9,600	12,000
CMHC Canada Community Housing	2028	801	8,931	9,732
CMHC Yukon Priorities Housing	2027	895	2,021	2,916
CMHC Canada Housing Benefit	2028	1,206	5,394	6,600
Canada - Yukon Low Carbon Economy Leadership Fund (Government of Yukon)	2024	4,659	-	4,659
Office space lease (Government of Yukon)	2024	96	-	96
		<u>\$ 13,086</u>	<u>\$ 33,976</u>	<u>\$ 47,062</u>

18. Bad debts write-offs

Section 14(4) of the *Financial Administration Act* of Yukon requires accounts written off during the fiscal year to be reported in the Public Accounts of Yukon. Bad debts written off during the current year and past four years are as follows:

Year	Amount
2023	\$ 35,527
2022	\$ 190,534
2021	-
2020	-
2019	-



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

19. Prepaid expenses

	2022	2021
	(thousands of dollars)	
Prepaid Expense		
Prepaid Lease	\$ 3,442	\$ 3,325
Other	202	128
	<u>\$ 3,644</u>	<u>\$ 3,453</u>

The Corporation has prepaid \$3,500,000 to lease 10 units for the next twenty years in the Normandy Manor development project. The lease has started in December 2022 when the building construction was completed.

20. Asset retirement obligations

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligation, the Corporation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated as at April 1, 2022. The asset retirement obligation accretion expense will be incurred over the estimated number of years to complete the retirement or remediation. Post-closure care is estimated to extend for up a year post the closure of the building, while demolition and construction continues. Estimated undiscounted costs of \$14,202,000 have been discounted to present value using a discount rate of 3% (2022 - 2.5%) per annum.

The transition and recognition of asset retirement obligations involved an accompanying increase to Buildings including Social Housing, Staff Housing, Office, and Other facilities.

Changes to the asset retirement obligation in the year are as follows:

	2023	2022 Restated - Note 3
Opening balance, as restated	\$ 10,410	\$ 10,182
Accretion expense	256	250
Liabilities settled	(149)	(22)
Change in estimate	(555)	-
Closing balance, as restated	<u>\$ 9,962</u>	<u>\$ 10,410</u>



21. Financial instruments

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. The following analysis provides a measurement of those risks as at March 31, 2023.

a) Credit Risk

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks mainly arise from certain financial assets held by the Corporation consisting of cash, accounts receivable, due from Government of Yukon, and mortgages and loans receivable.

Cash

The Corporation's exposure to credit risk associated with cash is assessed as low because the Corporation's cash deposits are held by a reputable Canadian Chartered bank.

Accounts Receivable

The Corporation's exposure to credit risk associated with accounts receivable particularly due from CMHC, Government of Yukon and other receivables is considered low as these receivables are due from federal and First Nation governments. The Corporation is also exposed to credit risk through CMHC indemnifications as in the event of a loan or contribution default, the Corporation is required to rectify the default or fully reimburse CMHC for approved and paid claims. The Corporation mitigates this risk by continuing operation and assuming the loan/contribution obligation.

The Corporation's exposure to credit risk associated with accounts receivable from tenants is assessed as high due to the transient nature of clients. The Corporation mitigates this risk by keeping records of outstanding accounts where a returning client with outstanding account has to settle the amount owed to the Corporation before they are allowed to receive housing benefits.

Allowance for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for doubtful accounts. All accounts are considered for impairment based on the type of client revenue and historical repayment information.

The maximum exposure to credit risk for due from Government of Yukon and accounts receivables by type of customer is as follows:

	2023	2022
	(thousands of dollars)	
<u>Due from Government of Yukon (Note 15(a))</u>	\$ 1,281	\$ 3,152
Due from Canada Mortgage and Housing Corporation (Note 5)	231	4,708
Receivable from tenants (Note 5)	108	(127)
Other receivables (Note 5)	352	389
<u>Accounts Receivable</u>	<u>\$ 691</u>	<u>\$ 4,970</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

21. Financial instruments (continued)

The Corporation's receivable has a carrying value of \$691 as at March 31, 2023 (2022 - \$4,970). As at March 31, 2023, approximately 65% (2022- 18%) were over 90 days past due, whereas 32% (2022 - 78%)were current or less than 30 days past due.

Mortgages and loans receivable

The Corporation's exposure to credit risk associated with Mortgages and Loans receivable is considered low because these receivables are primarily secured by property, and other security instruments. Additionally, the amounts due from clients can be recovered through court imposed repossession of property.

The Corporation has a carrying value of \$29,515 as at March 31, 2023 (2022 - \$32,417). As at March 31, 2023, approximately 95% (2022- 95%) were current or less than 30 days past due, whereas 2% (2022 - 2%) were over 90 days past due.

Allowance for impaired loans are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for impaired loans. All accounts are considered for impairment based on the date of last payment and historical repayment information.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. To further manage its liquidity risk, the Corporation has a borrowing limit of up to \$11,000,000. Further financing can be obtained through transfers from the Yukon government to mitigate this risk and also, the Corporation has the option to sell from its housing portfolio.

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities and long term debt. The Corporation's accounts payable and accrued liabilities had a carrying value of \$7,035 (2022 - \$7,534). As at March 31, 2023, approximately 97% (2022- 99%) of accounts payable were current or less than 30 days past due.

The Corporation's long term debt has remaining discounted contractual cash flows of \$9,638 (2022 - \$10,794). The amount of principal to be repaid next fiscal year is \$668. (note 9)

c) Market Risk

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation is not exposed to any significant interest rate risk because instruments are held in domestic currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Corporation is not exposed to any significant interest rate risk.

Long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding agreed to schedules. Impact of 1% increase in interest rates would add \$9,000 to the Corporation's deficit while a 1% decrease in interest rates would add \$11,000 to the Corporation's surplus.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2023

22. Subsequent events

On April 5, 2023, the Corporation signed an agreement, Rapid Housing Initiative #3, with Canada Mortgage and Housing Corporation (CMHC). Under the agreement, the Corporation will receive \$5,000,000 from CMHC to develop and construct projects in accordance with the following requirements - increase affordability, accessibility, serve vulnerable populations, and be energy efficient. The \$5,000,000 was received by the Corporation in April 2023.

On February 21, 2021, the Corporation has signed a memorandum of understanding (MOU) with CMHC. Under this MOU, CMHC has conditionally allocated \$20,000,000 in funding from the Northern Carve Out Initiative towards projects that will increase rent affordability, accessibility, and be energy efficient. The funding is to be disbursed on a project by project basis with CMHC funding not to exceed \$20,000,000. The parties are working on a formal, legally binding agreement that is expected to be completed in the fall of 2023.

At year end, the Corporation was in negotiation to lease an additional 16 units in Normandy Manor for approximately \$24,000 per month for the next twenty years. The contract for these additional 16 units was signed in the 2023-24 fiscal year and tenants moved in July.

23. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.



Yukon Housing Corporation

Schedule of Program Costs, Corporate Services Costs and Administration Expenses
for the year ended March 31, 2023

Schedule A

	2023	2022 Restated - Note 3
	(thousands of dollars)	
Social and staff housing operations		
Personnel	\$ 4,289	\$ 4,069
General maintenance	8,435	3,453
Utilities	3,764	3,435
Property taxes	1,264	1,113
Building services - in-kind (Note 15(b))	502	502
Bad debts - tenant receivable	(125)	157
Housing program administration	200	145
Accretion expense	256	250
Interest on long-term debt	50	66
Write-down of / loss on disposal of tangible capital assets	56	15
	<u>\$ 18,691</u>	<u>\$ 13,205</u>
Lending and grant programs		
Affordable housing contributions	\$ 5,780	\$ 5,760
Personnel	527	505
Community partnering contributions	377	329
Bad debts - loans receivable	-	20
Program materials	1	1
	<u>\$ 6,685</u>	<u>\$ 6,615</u>
Corporate services		
Personnel	\$ 2,257	\$ 2,807
Information technology systems and support	359	267
Professional fees	121	185
	<u>\$ 2,737</u>	<u>\$ 3,259</u>
Administration		
Personnel, training and post-employment benefits	\$ 1,137	\$ 1,157
Communications	177	191
Travel and transportation	182	180
Professional fees	62	173
Office space	204	120
Rentals - office and equipment	111	106
Office and sundry	124	104
Boards and committees	81	81
Program promotion	108	66
	<u>\$ 2,186</u>	<u>\$ 2,178</u>

Yukon
 Yukon Housing Corporation
 Schedule of Tangible Capital Assets
 for the year ended March 31, 2023

Schedule B

	Land	Social Housing (Restated - Note 3)	Staff Housing (Restated - Note 3)	Office Building (Restated - Note 3)	Other Facilities (Restated - Note 3)	Furnishings and Equipment	Computer Systems	2023 Total	2022 Total (Restated - Note 3)
(thousands of dollars)									
Cost of tangible capital assets at beginning of year, as restated ¹	5,189	148,869	23,814	2,138	559	3,598	295	184,462	162,001
Acquisitions ¹	-	6,110	24	-	-	751	-	6,885	22,638
Change in ARO estimate	-	(373)	(160)	(20)	(2)	-	-	(555)	-
Write-downs	-	(20)	(36)	-	-	-	-	(56)	(16)
Disposals	-	-	(76)	-	-	-	-	(76)	(161)
Cost of tangible capital assets at end of year ¹	5,189	154,586	23,566	2,118	557	4,349	295	190,660	184,462
Accumulated amortization at beginning of year, as restated	-	52,261	14,782	1,699	554	1,828	295	71,419	67,394
Amortization	-	3,532	680	45	2	304	-	4,563	4,186
Disposals	-	-	(76)	-	-	-	-	(76)	(161)
year	-	55,793	15,386	1,744	556	2,132	295	75,906	71,419
Net book value ¹	\$ 5,189	\$ 98,793	\$ 8,180	\$ 374	\$ 1	\$ 2,217	\$ -	\$ 114,754	\$ 113,043
Construction in progress	\$ -	\$ 3,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,746	\$ 19,062

¹ Includes construction in progress

Appendix



The Yukon Housing Corporation Policy and Communications team October 2022
Photo credit: Government of Yukon

Board of Directors

Yukon Housing Corporation is an agent of government and operates under the strategic direction of a Board of Directors. In addition, the Yukon Housing Corporation Board of Directors provides policy direction and financial stewardship to the Corporation.

Established in 1972, Yukon Housing Corporation is accountable to Cabinet through the Minister responsible for Yukon Housing Corporation. Legislative authority is provided by the *Housing Corporation Act*. The Act establishes the Housing Corporation Board of Directors (the Board) to conduct the affairs and business. The Board is accountable to the Minister, the Yukon Legislative Assembly and

the public for its performance and consists of a Chair, a Deputy Chair and no more than five other members. Board members are appointed by an order-in-council.

As stewards of the Corporation, the Board of Directors directs and controls the Corporation's affairs in accordance with the *Housing Corporation Act*, the *Housing Development Act*, the *Government Employee Housing Plan Act*, the *Corporate Governance Act*, the *Financial Administration Act* and other applicable legislation and policies.

The current members of the Board of Directors for Yukon Housing Corporation



CHAIR
Doris Bill
May 15, 2023 to
May 14, 2026



DEPUTY CHAIR
Richard Laberge
Feb 1, 2020
to Jan 31, 2026



DIRECTOR
Christine Mahar
Aug 21, 2021 to
Aug 20, 2024



DIRECTOR
Megan Grudeski
Feb 22, 2022 to
Feb 21, 2025



DIRECTOR
Anne Kennedy
March 23, 2022 to
March 22, 2025



DIRECTOR
Larry Bagnell
Jan 26, 2023 to
Jan 25, 2026

Members who have served during the reporting period but whose term ended prior to the publication of this report are:



CHAIR
Gina M. Nagano
Feb 1, 2021 to
April 6, 2023



DIRECTOR
George Bailey
Feb 1, 2020 to
Jan 31, 2023



DIRECTOR
Carol Buzzell
Jan 23, 2020 to
Nov 17, 2022



Celebrating the completion of twelve new affordable homes in Whitehorse
Photo credit: Government of Yukon


Yukon

