



Presentation to RMWB Council

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017



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WOOD BUFFALO HOUSING

VISION STATEMENT

**Wood Buffalo is a region where everyone has
access to safe and affordable housing**

MISSION STATEMENT

**We collaborate to pursue safe and sustainable
housing solutions for the people of our region**

Background

§ Incorporated in 2001 with a one-time municipal grant of \$450,000.

§ Our diverse portfolio of programs:

- Self Funded:
 - Affordable Housing- 10% below market rates
 - Rural Housing
- Provincially Funded:
 - Seniors Self-Contained
 - Community Housing
 - Homeless Shelter
- Lodges (Municipally funded)

Wood Buffalo Housing has helped over 7,000 individuals, families and seniors with low and middle incomes to find well-built, well-maintained affordable housing in Wood Buffalo

Portfolio

Location	Deficit Funded			Self Funded	Total Units
	Community Housing	Community Housing Seniors Self Contained	Lodge Operations	Affordable	
Fort McMurray	49	30	39	1189	1307
Anzac	1	4			5
Conklin				16*	16
Janvier				9	9
Fort Chipewyan	2	10	15**	5*	17
Fort McKay					0
Fort Fitzgerald					0
Total	52	44	39	1219	1354
* Numbers include 4 new units in Conklin and 5 new units in Fort Chipewyan					
** Fort Chipewyan Lodge is not operational therefore the numbers are not included in the totals.					

Fiscal Year 2017

Affordable Rentals

- Self funded, revenues must cover costs and required debt payments

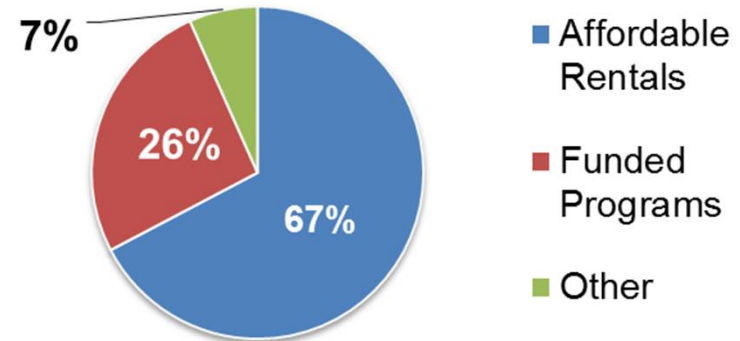
Funded Programs – Deficit Funded

- Housing for low income individuals, families and seniors
- Rent subsidies
- Homeless Shelter

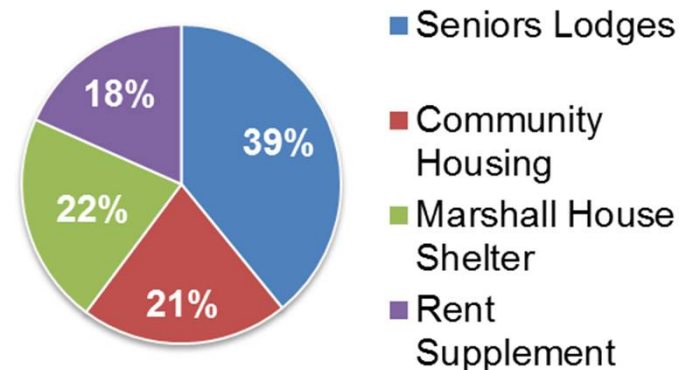
Other

- Commercial rentals
- Affordable Home Ownership
- Investment income

Total Revenue



Revenues - Funded Programs



Fiscal Year 2017

Wood Buffalo Housing continues to face challenging economic conditions related to the general downturn in the economy, and lasting effects of the 2016 wildfires.

Impact:

- § Higher than normal vacancy rates (2017: 18.2%, 2016: 33.6%)
- § Rental rates reduced, on average, 18.5% from 2016 budgeted rates
- § Fiscal 2017 finished with a surplus of \$0.5M
 - § Operations deficit was (\$2.7M), budgeted deficit (\$3.6M)
 - § Offset by \$4.1M net insurance proceeds/settlement
 - § Less write down (\$1.0M) on valuation of mortgages receivable and inventory of affordable home ownership properties

Consolidated Statement of Financial Position

As at December 31, 2017

	2017	2016	
Assets			
Current assets	\$ 51,454,118	\$ 53,131,364	-\$1.7M, 3.1%
Capital assets	253,999,766	260,467,425	-\$6.5M, 2.5%
Long-term assets	41,353,292	41,179,619	+\$0.2M, 0.4%
Total Assets	\$ 346,807,176	\$ 354,778,408	-\$8.0M, 2.2%
Liabilities and Net Assets			
Current liabilities	12,979,037	15,677,778	
Long-term liabilities	203,246,794	209,022,760	
Total liabilities	216,225,831	224,700,536	
Net assets	130,581,345	130,077,872	
Total Liabilities and Net Assets	\$ 346,807,176	\$ 354,778,408	
Reduction in cash offset by increase in receivable due to settlement of insurance at Edgewater Court			
Amortization (\$7.1M), Investment (\$1.7M), Transfer/Disposal (\$1.1M)			
Decrease in mortgages receivable (\$0.9M), Increase restricted cash \$1.1M			

Consolidated Statement of Operations

Year ended December 31, 2017

2017

2016

Revenues:

Property Sales (net)		\$ 287,701	\$ 1,312,632
Rental properties revenues	Combined +\$2.1M	15,015,202	13,394,130
Rent supplement revenue	Ave. Vacancy: 2017: 18.2%, 2016: 33.6%	4,687,602	4,189,045
Operating grants, contributions, donations		3,481,768	3,375,226
Other income	+\$0.7M	4,843,514	4,152,556
Municipal requisitions		2,002,257	1,924,194
	+\$2.0M, 6.9%	30,318,045	28,347,784

Expenses:

Amortization		7,130,389	6,889,956
Wages and benefits	-\$1.6M	9,610,199	11,191,250
Interest on long-term debt		3,564,037	3,692,536
Operating expenses	+\$0.5M	2,529,835	1,982,821
Utilities	+\$0.7M	2,345,408	1,577,477
Repairs and maintenance	-\$0.2M	2,003,850	2,239,872
Property taxes and insurance		2,737,460	2,636,965
Rent supplement transfers to other landlords		1,441,924	1,240,576
Office and administrative	-\$0.3M	1,676,598	1,975,113
	-\$0.4M, 1.1%	33,039,700	33,426,567

Deficit before the undernoted: 2018 Budget was (\$3.6M) (2,721,654) (5,078,783)

Net wildfire remediation and recovery	(1,166,012)	4,162,958
Insurance settlement - Edgewater Court fire lawsuit	(2,950,000)	-
Valuation losses on real property inventory and mortgages receivable	1,000,000	-
Gain on disposal of property and equipment	(109,116)	(3,843)
Insurance proceeds for property loss due to fire	-	(3,344,493)
Impairment loss due to property fire	-	3,344,493
	(3,225,128)	4,159,115
(Deficiency) excess of revenues over expenditures	\$ 503,473	\$ (9,237,898)

Consolidated Statement of Cash Flows

Year ended December 31, 2017

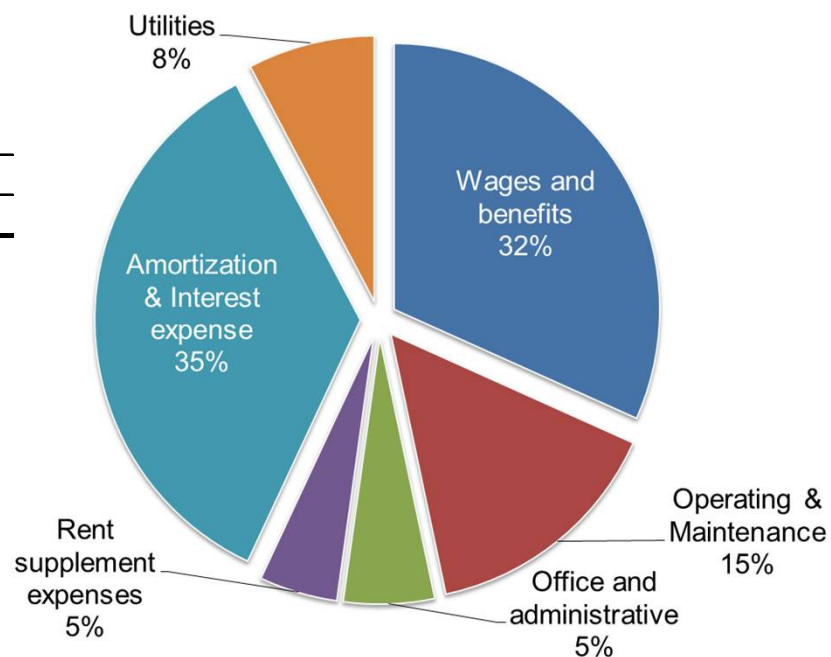
	2017	2016
Operating Activities:		
Excess (deficiency) of revenues over expenditures	\$ 503,473	\$ (9,237,899)
Items not involving cash	1,570,963	6,329,726
	2,074,436	(2,908,173)
Financing Activities		
Principal repayments long-term debt	(3,702,495)	1,035,761
Capital Activities		
Net investment capital assets	(1,314,083)	(3,969,598)
Investing Activities		
Capital reserves, mortgages receivable	(573,672)	2,951,275
Decrease in cash and cash equivalents	(3,515,814)	(2,890,734)
Cash and cash equivalents, beginning of year	10,701,568	13,592,302
Cash and cash equivalents, end of year	\$ 7,185,754	\$ 10,701,568

Expenses

Year ended December 31, 2017

	2017		2016
Expenses			
Wages and benefits	\$ 9,610,199		\$ 11,191,250
Operating & Maintenance	4,533,685		4,222,694
Office and administrative	1,676,598		1,975,113
Rent supplement expenses	1,441,924		1,240,576
	<u>17,262,405</u>	52.2%	<u>18,629,633</u>
Fixed expenses			
Amortization & Interest Expense	10,694,425		10,582,491
Utilities	2,345,408		1,577,477
Property taxes and insurance	2,737,460		2,636,965
	<u>15,777,294</u>	47.8%	<u>14,796,933</u>
Total Expenses	<u>\$ 33,039,699</u>	100.0%	<u>\$ 33,426,566</u>

Breakdown of Expenses



2018 – 2020

Our region continues to face serious economic challenges as a result of:

- § Continuing employment and other economic effects of lower oil prices
- § On-going effects of the 2016 wildfires, prior population projections severely revised
- § Downward pressure on rental rates within the region.

Waitlist status:

- § There is no wait list for Affordable housing.
- § There is a wait list of approximately 133 for social housing, which is due to a lack of operational funding provided by the Government of Alberta.
- § We have approximately 228 vacant rental units

2018 – 2020 – Strategic Priorities

ü Financial Sustainability

- ü Ensure financial viability and sustainability through deficit elimination by increasing our revenues, and continuous control of costs.

ü Excellence in Customer Service

- ü A focus on continuous improvement in customer service to move beyond delivering a service upon request to addressing underlying needs.

ü Strategic Stakeholder Engagement

- ü Establish a practice of engaging strategically with our staff, existing and potential tenants, partners in government and otherwise to demonstrate the value and importance of our mission to the community of Wood Buffalo.



Questions?



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