

# Presentation to RMWB Council

Presenters: Janna Folsom, Director of Finance  
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AUDITED FINANCIAL STATEMENTS  
For the Period Ended December 31, 2020



# **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 programs:
  - Self Funded:
    - Affordable Housing- 10% below market rates
    - Rural Housing
  - Provincially Funded:
    - Seniors Self-Contained
    - Community Housing
    - Rent Supplement Program
  - Seniors Lodges (Municipally funded)

Wood Buffalo Housing has helped close to 10,000 individuals, families and seniors to find well-built, well-maintained affordable housing in Wood Buffalo



# Housing Portfolio:

Location	Deficit Funded			Self Funded	Total Units
	Community Housing	Community Housing Seniors Self Contained	Lodge Operations	Affordable	
Fort McMurray	48	30	39	1162	1279
Anzac	1	4			5
Conklin				16	16
Janvier				9	9
Fort Chipewyan	2	10	15**	5	17
Fort McKay					0
Fort Fitzgerald					0
Total	51	44	39	1192	1355

\*\* Fort Chipewyan Lodge is a non-operational provincially owned facility.. We are currently finalizing a lease with a community organization for the rental and use of this property for the benefit of the Fort Chipewyan community.



# Fiscal Year 2020:

Another challenging year.

## Covid 19:

- Implemented measures to prevent the spread of the virus, and protect our tenants and staff. Rotary Housing following AHS guidelines.

## Flooding:

Properties affected: Rotary House, Edgewater Court, 10117 King Street, Marshall House, Centennial House, Borealis Business Centre

Remediation now complete. Net cost \$0.1M after insurance proceeds.

## Impact:

Continuing higher than normal vacancy rates

Average market rental rates continued to decrease; our rates at minimum 10% below market (mandated)

Additional costs for cleaning and PPE related to the pandemic



# Consolidated Statement of Financial Position

## As at December 31, 2020

	2020	2019
<b>Assets</b>		
Current assets	\$ 46,349,223	\$ 47,798,213
Capital assets	234,619,314	240,749,584
Long-term assets	20,464,239	22,034,383
<b>Total Assets</b>	<b>\$ 301,432,776</b>	<b>\$ 310,582,180</b>
<b>Liabilities and Net Assets</b>		
Current liabilities	\$ 11,311,213	\$ 11,135,223
Long-term liabilities	163,261,018	170,621,896
Total liabilities	174,572,231	181,757,119
Net Assets	126,860,545	128,825,061
<b>Total Liabilities and Net Assets</b>	<b>\$ 301,432,776</b>	<b>\$ 310,582,180</b>

Reduction in current assets mainly due to reduction in cash caused by the operating deficit.

Reduction in capital assets due to amortization. We are not currently investing in capital assets

Reduction in long-term assets – reduction in mortgages receivable

Reduction long-term liabilities due to principal payments on our mortgages and unamortized capital contributions taken to income over the life of the related capital assets



# Consolidated Statement of Operations

## Year ended December 31, 2020

	2020	2019	
<b>Revenues:</b>			
Property sales (net)	\$ (223,587)	\$ 19,645	
Rental properties revenues	14,121,883	14,748,903	High vacancy, lower rates
Rent supplement revenue	4,265,030	4,657,045	Provincial reductions
Operating grants, contributions, donations	1,972,917	3,251,144	Marshall House
Other income	6,294,402	6,963,388	Investment income
Municipal requisitions	1,888,137	1,997,409	
	<b>\$ 28,318,782</b>	<b>\$ 31,637,534</b>	
<b>Expenses:</b>			
Amortization	6,787,176	7,127,016	
Wages and benefits	6,456,382	8,330,526	Restructuring, Marshall
Utilities	3,733,557	3,686,020	House Closure
Operating and maintenance expenses	5,147,825	6,665,928	2019 Labour dispute
Property taxes and insurance	2,568,550	2,619,121	
Interest on long-term debt	2,332,231	2,456,998	
Rent supplement transfers to other landlords	1,167,500	1,312,142	
Office and administrative	869,539	1,218,454	Controlled spending
	<b>29,062,760</b>	<b>33,416,205</b>	
Deficit before the undernoted	<b>(743,978)</b>	<b>(1,778,671)</b>	
Net cost/proceeds for flood and wildfire remediation	129,949	(1,248,392)	
Expenses for Covid-19 pandemic	328,452	-	
Valuation losses on real property inventory and mortgages	-	295,444	
Loss on investment in long-term lease	768,673	-	Change in nature of lease
Gain on disposal of property and equipment	(6,536)	-	
	1,220,538	(952,948)	
<b>(Deficiency) excess of revenues over expenditures</b>	<b>\$ (1,964,516)</b>	<b>\$ (825,723)</b>	

# Expenses

## Year ended December 31, 2020

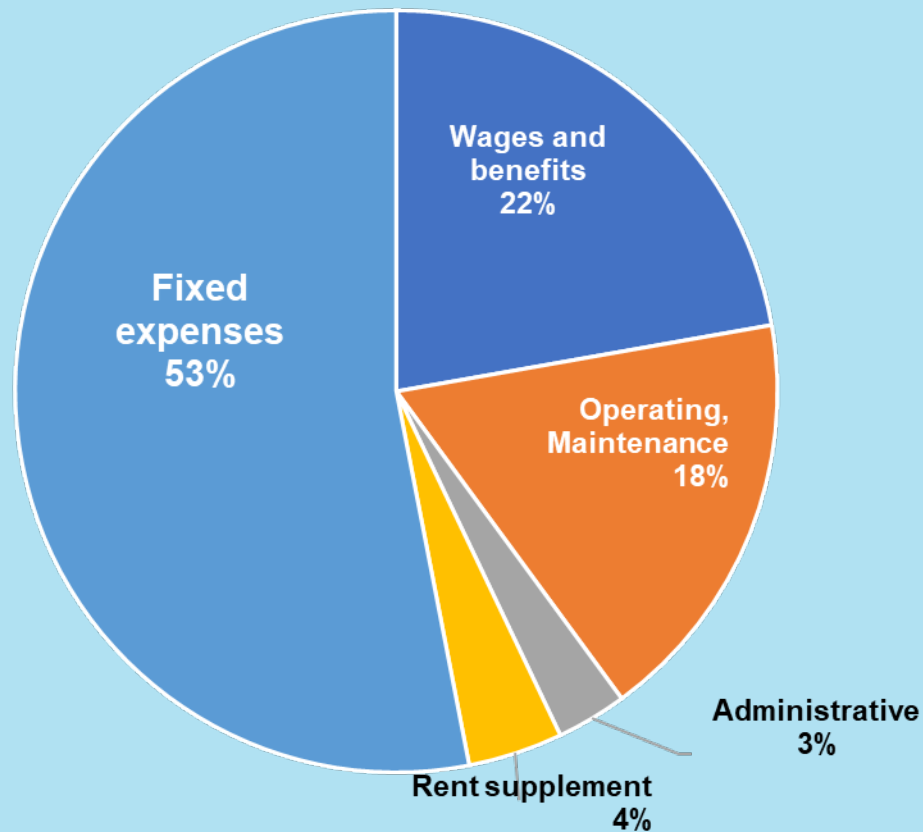
### Expenses - Year ended December 31, 2020

	2020		2019
<b>Expenses</b>			
Wages and benefits	\$ 6,456,382		\$ 8,330,526
Operating, Maintenance	5,147,825		6,665,928
Administrative	869,539		1,218,454
Rent supplement	1,167,500		1,312,142
	<b>13,641,246</b>	<b>46.9%</b>	<b>17,527,050</b>
<b>Fixed expenses</b>			
Amortization, interest	10,520,733		10,813,036
Utilities	2,568,550		2,619,121
Property taxes, insurance	2,332,231		2,456,998
	<b>15,421,514</b>	<b>53.1%</b>	<b>15,889,155</b>
<b>Total expenses</b>	<b>\$29,062,760</b>	<b>100.0%</b>	<b>\$33,416,205</b>

Fixed expenses remain high, at 53.1% of total expenses.

2019 Variable costs include one-time expenses related to the settlement of the labour dispute.

### Breakdown of Expenses





# Consolidated Statement of Cash Flows

## Year ended December 31, 2020

	2020	2019	
Operating Activities:			
(Deficiency) excess of revenues over expenditures	\$ (1,964,516)	\$ (825,723)	
Operating activities and items not involving cash	3,539,305	5,043,833	
	1,574,789	4,218,110	
Financing Activities	(3,742,197)	(3,605,833)	Principal on long-term debt
Capital Activities	(29,077)	(79,877)	
Investing Activities	(391,697)	(261,774)	mortgages receivable and capital reserves
Decrease in cash and cash equivalents	(2,588,182)	270,626	
Cash and cash equivalents, beginning of year	9,686,999	9,416,373	
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,098,817</b>	<b>\$ 9,686,999</b>	



# Looking ahead: 2021

## Waitlist status:

- Currently vacancy for Affordable housing units continues to be high, no wait list
- Wait list of 137 for social housing.
  - Limited number of social housing units available (52 family, 44 seniors)
  - A review of the rent supplement program is expected to be completed by late spring. Funding has been restored to 2019 levels, but we cannot increase the number of subsidies we provide until at least that time.



# Looking ahead: 2021

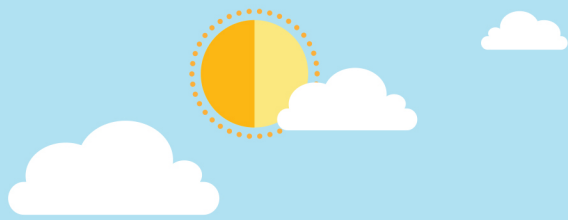
## Work done to date:

- Reduction of overhead and staffing costs
- Implemented a more efficient business operating model
- Continued social media presence on Facebook, YouTube and Twitter to ensure community awareness and engagement
- Engagement with our rural communities

## Challenges:

- High vacancy – job losses, general economic hardship; continued higher number of move outs than move ins
- Continued pressure on rental rates
- Challenges in obtaining affordable insurance
- Additional costs related to the pandemic to prevent the spread of the virus, and protect the safety of staff and tenants (no funding for the Affordable rental program)





# Questions?

