



STAFF REPORT

Board Meeting

MEETING DATE: October 6, 2022
REPORT: B.3.2 Financial Report – Operating Loan Draw
AUTHOR: Jennifer Bisley, Executive Director

A. Recommendation

THAT The Blue Mountains Attainable Housing Corporation receive Item B.3.2 Financial Report for information

AND THAT The Blue Mountains Attainable Housing Corporation approve a drawdown of the Town of The Blue Mountains operating loan in the amount of \$100,000.

B. Background

The Blue Mountains Attainable Housing Corporation receives funding from the Town of The Blue Mountains through a repayable interest-bearing operating loan. The operating loan interest rate is equal to the Lender’s cost of funds plus 200 basis points at the time the draw is made and is repayable at the end of the loan term.

On May 24, 2022, the Town approved the extension of the operating loan term from May 30 2022 to November 30, 2023 (see item B.1 of Council Meeting [minutes](#)).

On June 20, 2022, the Town approved an increase to the operating loan to a maximum of \$1,200,000 including the original loan of \$440,000 (See item B.4.1 of The Blue Mountains Committee of the Whole [Report](#) of June 7 2022).

The Blue Mountains Attainable Housing Corporation Board of Directors approved the [2022-2024 Budget](#) on May 5, 2022. The approved budget includes two draws from an operating loan with the Town of The Blue Mountains. The first budgeted draw of \$170,000 was made March 23, 2022, bringing the balance owing to \$440,000. A second draw of \$360,000 was budgeted for Q3 of 2022.

C. Analysis

The Q4-2022 cash flow analysis shows a draw of \$100,000 from the operating loan is needed to meet operating and project expenditures. This is less than the budgeted amount of \$360,000 due to lower than budgeted expenditures related to Gateway soft costs given delays in the selection of a Design-Builder.

CASH FLOW ANALYSIS SUMMARY	Q4 - 2022
OPENING CASH BALANCE	\$ 56,336
+ TOTAL INFLOWS	\$ 27,925
- TOTAL OUTFLOWS	\$ 157,992
+ Operating Loan - Town	\$ 100,000
CLOSING CASH BALANCE	\$ 26,269

D. Financial Impact

The draw is within the approved budget and will increase the total amount owing on the operating loan to \$540,000 plus accrued interest.