

Staff Report



To Council
Department Finance Department
Meeting Date Council and Committee of the Whole Meetings - 23 Jun 2026
Subject 2025 - Treasurer's Annual Statement of Development Charges
Report Number SR- 3201
Prepared by Jesse Collins

Recommendation

1. That the report from the Finance Division, dated June 23, 2026 re: 2025 – Treasurer’s Annual Statement of Development Charges be received; and
2. That Loyalist’s Township 2025 Annual Treasurer’s Statement be sent to the Ministry of Municipal Affairs and Housing, no later than July 15, as required under the legislation; and
3. The Loyalist’s Township 2025 Annual Treasurer’s Statement be made available to the public, as required under the legislation.

Executive Summary

Purpose of Report

The purpose of this report is to provide Council with the annual Treasurer’s Statement of Development Charges which provides details of the Township’s development charges activity and ensures compliance with the Development Charges Act.

Report Highlights

- As of December 31, 2025, the balance of the development charges reserve fund was \$2,067,773
 - Opening balance - \$1,484,791
 - Add: Development charges collected - \$1,294,068
 - Add: Net interest income earned - \$125,430
 - Less: Contributions to capital projects - \$746,316
 - Less: Debt Repayments - \$90,200

- \$1,279,580 (62%) of the reserve fund balance has been allocated to capital projects in 2026.
- The Treasurer's Statement (including statement of compliance) is required to be made available to the public by June 30th, as well as a copy to be provided to Ministry of Municipal Affairs and Housing (MMAH) by July 15th.

Report Details

Background and Analysis

The Development Charges Act (DCA), 1997 provides the legislative framework for the collection and use of development charges ("DCs"). DCs are fees imposed by the municipality on developers/landowners of new development or re-development that allow municipalities to recover capital cost relating to growth.

In Loyalist Township, DCs are used to recover the growth capital cost of important municipal services such as emergency services, public works fleet and facilities, parks & recreation, stormwater, and road infrastructure. Specific growth capital projects were identified in the development charges background study.

At the regular Council meeting held on October 25, 2021, Council adopted the 2021 Development Charges Background Study completed by Hemson Consulting Ltd. and the accompanying By-law 2021-066 which came into force effective January 1, 2022. The background study By-law was set to expire on January 2, 2027, however at a regular meeting of Council held on April 14, 2026, Council passed By-law 2026-17 which extended the expiry period until January 2, 2032.

The Development Charges Act, section 43(1) states that, "The Treasurer of a municipality shall each year on or before such date as the Council of the municipality may direct, give the Council a financial statement relating to development charge by-laws and reserve funds established under section 33."

Section 43(2) of the Development Charges Act prescribes the information that must be included in the Treasurer's annual statement. The requirements are as follows:

- Statements of the opening and closing balances of the reserve funds and of the transactions relating to the funds (**Exhibit A**).
- Identify all assets whose capital costs were funded in part or fully by DCs. For any asset funded in part, identify the source of funding for the unfunded amount (**Exhibit B**).
- A statement of compliance with subsection 59.1 (1) (**Exhibit C**).
- Any other information that is prescribed.

- Per Bill 17: Protect Ontario by Building Faster and Smarter Act, it is a requirement to allocate a minimum of 60% of reserve fund balances in the Treasurer's Statement (**Exhibit D**).

Exhibit A attached to this report details the development charges reserve fund activity for 2025. This table details the revenues incurred in 2025 which include DCs collected from the developers and net interest income earned on the held development charge reserve fund balances. This report also details expenses incurred in 2025 which would include contributions to capital growth projects as identified in the 2021 DC study, contributions to operating expenditures (e.g. DCs eligible studies) as well as debt repayments. Important to note, some reserve fund balances have negative balances at the end of 2025. This is not uncommon and occurs when the Township incurs development charge eligible costs before the development fees have been collected. In the interim, these costs are funded through interfund financing (internal loans between the different development charges reserve funds) or through external debt financing with the expectation the financed amounts will be repaid through future collection of developer charges. Any internal or external financing costs (e.g. interest) is captured in the appropriate reserve fund.

Exhibit B attached to this report details DC eligible projects identified in the 2021 background study that incurred costs and have been partially or fully funded from DCs during 2025. In addition to identifying amounts funded by development charges, this table also identifies made via municipal contributions, grants and subsidies, and DC debt financing.

Exhibit C attached to this report is a signed statement of compliance which is a legislative requirement for the Treasurer to sign annually to attest the Township has not charged or imposed fees except as permitted by the DCA with respect to DCs.

Exhibit D attached to this report is a table detailing the committed allocation of development charges reserve fund balances to planned DC eligible projects to be completed in the future. These allocations have been determined through the approved 2026 budget. Per the table, \$1,279,580 has been committed to capital projects which represents 62% of the total development charges reserve fund balance as of December 31, 2025.

Financial Implications

There are no financial implications. This report only provides historical financial information.

Risks or Stakeholder Implications

There are no identified risks or stakeholder impacts.

Communication and Consultation Plan

Per Section 43(2.1) of the DCA it is a requirement that Council ensures the Treasurer's statement is made available to the public. As such, it is recommended that the Loyalist Township 2025 Annual Treasurer's Statement be posted on the Loyalist Township website immediately with a copy forwarded to the Ministry of Municipal Affairs and Housing (MMAH) by the July 15th deadline.

Alternatives

The Annual Treasurer's Statement is legislative requirement to be in compliant with the Development Charges Act and as such there are no presented alternatives.

Attachments

[Exhibit A - Development Charges Reserve Fund Activity](#)

[Exhibit B - Amounts Transferred to Capital Projects](#)

[Exhibit C - Statement of Compliance](#)

[Exhibit D - Development Charges - Reserve Fund Planned Allocation](#)

Approved by

LOYALIST TOWNSHIP
Annual Treasurer's Statement - Development Charges Reserve Fund Activity
As of December 31, 2025
Exhibit A

	Emergency Services	Parks and Recreation	General Government	Public Works: Building and Fleet	Roads and Related	Stormwater Management	Total
Opening Balance - January 1, 2025	211,428	-	(343,412)	(1,404,434)	2,324,329	696,880	1,484,791
<u>Transfer In:</u>							
Development Charges	200,089	459,598.36	49,041	263,720	223,445	98,175	1,294,068
Net Interest Income	8,097	82,369.62	(7,701)	(21,753)	49,018	15,400	125,430
Total Revenue	208,186.12	541,967.98	41,339.99	241,967.19	272,462.63	113,574.51	1,419,498
<u>Transfer Out:</u>							
Contribution to Capital Expenditures	-	409,417.00	-	173,097.32	163,802.03	-	746,316
Contributions to Operating Expenditures	-	-	-	-	-	-	-
Debt Repayments	90,200.00	-	-	-	-	-	90,200
Total Expense	90,200	409,417	-	173,097	163,802	-	836,516
Ending Balance - December 31, 2025	329,414	132,551	(302,072)	(1,335,564)	2,432,990	810,455	2,067,773

LOYALIST TOWNSHIP
Annual Treasurer's Statement - Amounts Transferred to Capital Projects
As of December 31, 2025
Exhibit B

Project Description	2025 Capital Cost	Development Charges Revenue	Municipal Contribution to be repaid by Development Charges Collected in the Future	DC Debt Financing to be repaid by Development Charges in the Future	Grants / Subsidies / Other	Municipal Contribution (Capital Reserves)	Total
Emergency Services							
Subtotal	-	-	-	-	-	-	-
Parks and Recreation							
Outdoor Splash Pad	99	99	-	-	-	-	99
Recreation Maintenance Garage Expansion	379,078	379,079	-	-	-	-	379,079
New Mower	30,329	30,239	-	-	-	-	30,239
Subtotal	379,078	409,417	-	-	-	-	379,178
General Government							
Subtotal	-	-	-	-	-	-	-
Roads & Related							
Construction Main Street, Bath and Windermere Intersection	69,887	11,700.00	-	-	-	58,187.00	69,887
Growth-Related Roadworks (Road, Curb, Side) - Pruyin Crescent	2,928,175	20,000	-	-	-	2,908,175	2,928,175
Growth-Related Roadworks (Road, Curb, Side) - County Road 6	44,738	44,738	-	-	-	-	44,738
Growth-Related Roadworks (Road, Curb, Side) - Amherst Drive	167,893	80,000	-	-	-	87,893	167,893
Road Widening - Fencing for Projects	7,364	7,364	-	-	-	-	7,364
Subtotal	3,218,057	163,802	-	-	-	3,054,255	3,218,057
Public Works Building and Fleet							
Loader with Plough & Wing	243,795	87,284	-	-	-	156,511	243,795
Bucket Truck	194,312	69,100	-	-	-	125,212	194,312
Half-ton Truck	71,116	16,713	-	-	-	54,403	71,116
Subtotal	509,223	173,097	-	-	-	336,126	509,223
Storm Water Management							
Subtotal	-	-	-	-	-	-	-
TOTAL	4,106,358	746,316	-	-	-	3,390,381	4,106,458

Exhibit C – Statement of Compliance

Statement of Compliance

For the year ended December 31, 2025, the Annual Treasurer’s Statement Report: 2025 – Treasurer’s Annual Statement of Development Charges is in compliance with the Development Charges Act 1997, as amended. The Township has not imposed additional levies in accordance with Subsection 59.1 (1) of the Development Charges Act.

David Clazie

David Clazie, CPA, CA
Director of Finance / Treasurer
Loyalist Township

LOYALIST TOWNSHIP
Annual Treasurer's Statement - Development Charges - Reserve Fund Planned Allocation
As of December 31, 2025
Exhibit D

Development Charges - Reserve Fund Balance - December 31, 2025	2,067,773
<u>2026 Project Allocation</u>	
Amherst Drive Urbanization	47,500
Facilities Maintenance Garage Expansion	8,800
Community Hub Phase 1	781,930
County Road 6 & Taylor Kidd Intersection	178,900
Outdoor Splashpad	199,900
General Road Widening	62,550
	<u>1,279,580</u>
Allocation % of Reserve Fund Balance	<u><u>62%</u></u>