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STAFF REPORT: Finance and IT Services



REPORT TO: Committee of the Whole
MEETING DATE: June 6, 2016
REPORT NO.: FAF.16.50
SUBJECT: 2015 Treasurer’s Statement
PREPARED BY: Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.16.50, entitled “2015 Treasurer’s Statement”;
AND THAT Council approve the 2015 Treasurer’s Statement and post it on the Town’s website.

B. Background

Section 43 of the *Development Charges Act, 1997* requires the Treasurer of a municipality each year to give Council a financial statement relating to the Development Charges By-law and reserve funds established under section 33, being separate reserve funds for each service to which the development charges relate.

A new requirement states that the financial statements must be made available to the public and a copy can be requested by the Minister of Municipal Affairs and Housing.

C. The Blue Mountains’ Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

D. Environmental Impacts

N/A

E. Financial Impact

The balances of the reserve funds and collection of development charges are taken into account when preparing the annual budget.

F. In Consultation With

N/A

G. Attached

- 1. Treasurer’s Statement 2015 including schedules

Respectfully submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
Sam Dinsmore
sdinsmore@thebluemountains.ca
519-599-3131 274



Report No.: **FAF.16.50**
June 06, 2016
Prepared by S. Dinsmore

Treasurer's Statement, 2015
Financial Statement Relating to Development Charges By-laws and
Reserve Funds

Governing Act: Section 43 of the *Development Charges Act, 1997*
Paragraphs 12 and 13 of Ontario Regulation 82/98

Governing By-law: Development Charges By-laws No. 2014-51

Background:

Section 43 of the *Development Charges Act, 1997* (herein after referred to as "Act") requires the Treasurer of a municipality each year to give the Council a financial statement relating to development charge By-laws and reserve funds established under Section 33, being the separate reserve funds for each service to which the development charge relates. A new requirement states that the statement must be made available to the public and a copy can be requested by the Minister of Municipal Affairs and Housing.

Reserve funds established under the old Act for eligible services under the new Act are deemed to be reserve funds under the new Act, that is, they continue to be considered as development charges reserve funds. These reserve funds were consolidated with reserve funds under the new Act between 2000 and 2003. Reserve funds established under the old Act for ineligible services under the new Act are deemed to be general capital reserve funds. Both types of reserve funds were previously included in the Treasurer's Statement in order to provide for a transition from the old Act to the new Act. In addition, the Recreational Land Reserve Fund under the *Planning Act*, being a legislative reserve fund, has been included in the Treasurer's Statement.

Information:

This report forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

The opening and closing balances of the reserve funds and the transactions relating to the funds are provided on the attached schedule. The total opening balance of the development charges reserve funds at the beginning of 2014 was \$373,855. Development charges collected, credits granted, and prepayments recognized in 2015 amounted to \$3,451,776. Interest earned by the development charges reserve funds in 2015 amounted to \$14,097.

The projects financed, in whole or in part, by development charges are also provided on the attached schedule. Development charges represented \$2,543,934, in financing for the projects. The total closing balance of the development charges reserve funds at the ending of 2015 was \$1,295,794. The attached schedule forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

The specific detailed requirements of the Regulation are addressed under the following headings:

1. Description of Services and Categories of Services.

By-law No. 2014-51**Town of The Blue Mountains Discounted Services****General Government**

Various studies, including the development charges background study.

Public Works

Roads and public works services including land, buildings, furniture, equipment, and fleet.

Parks and Recreation

Parks and recreation services including trail and park development and indoor and outdoor recreational facilities, furniture, equipment, and vehicles.

Library

Library services, including land, buildings, furniture, equipment, and materials acquired for circulation, reference and information purposes.

Town of The Blue Mountains Non-Discounted Services**Fire**

Fire protection, rescue, and emergency services including land, buildings, furniture, equipment, and vehicles.

Police

Police services including land, buildings, furniture, equipment, and community policing space.

Roads and Related

Roads (highways) services including collector roads, bridges, culverts, sidewalks, streetlights, traffic signals, structures, and storm water drainage control services associated with roads.

Sanitary Sewage System

Wastewater services, including collection and treatment services for specific service areas.

Waterworks System

Water supply services, including distribution and treatment services for specific service areas.

Camperdown Service Area Non-Discounted Services:**Sanitary Sewage System Camperdown:**

Wastewater services, including collection and treatment services for the Camperdown Service Area excluding sewage treatment plant.

Waterworks System Camperdown:

Water supply services, including distribution and treatment services for the Camperdown Service Area excluding water treatment plant.

Lora Bay Service Area Non-Discounted Services:**Sanitary Sewage System Lora Bay:**

Wastewater services, including collection and treatment services for the Lora Bay Service Area excluding sewage treatment plant.

Waterworks System Lora Bay:

Water supply services, including distribution and treatment services for the Lora Bay Service Area excluding water treatment plant.

2. Credits.

Section 38(1) of the Act provides that “If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement.”

There was \$129,971 in credits outstanding at the beginning of the year: \$129,971 for roads and related services, \$0 for water supply services, and \$0 for sanitary sewer services.

\$0 in credits and \$86,564 in prepayments were granted in the year for roads and related services, water supply services, and sanitary sewer services under agreements with

developers. \$0 in credits and \$181,437 in prepayments were used in the year. There were \$129,971 in credits for roads and related services and \$17,429,905 in prepayments for roads and related services, waterworks systems, and sanitary sewage systems outstanding at the end of the year. The credits and prepayments are detailed on the attached schedule.

3. Money Borrowed.

Money was borrowed from consolidated reserve funds, all being legislative and discretionary reserve funds, by the municipality during the year to provide short term financing for operations and capital projects. The amounts borrowed were dependent upon the cash flow of the Revenue Fund and Capital Fund during the year. With respect to the consolidated reserve funds, a net amount of \$10,785,541 was due from the Revenue Fund and a net amount of \$3,496,953 was due to the Capital Fund at the end of the year.

4. Interest Accrued.

Interest was accrued on money borrowed from the consolidated reserve funds by the municipality during the year. Reserve funds are consolidated with interest allocated based on respective balances. The amount of interest accrued is based on the amounts due to and from the funds and prevailing interest rates.

5. Source of Repayment.

Taxation, user rates, reserves, reserve funds, and other sources were used by the municipality to repay money borrowed from the consolidated reserve funds or interest on such money. The amounts of repayments were dependent upon the cash flow of the Revenue Fund and Capital Fund during the year.

6. Credits.

There were no credits recognized under Section 14 of the old Act. No applications for the recognition of credits under the old Act were received.

Respectfully submitted by,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Revenue New Development Charges	Revenue Interest - Other	Revenue Sub-total	Expenditures Capital Fund	Expenditures Revenue Fund	Expenditures Sub-total	Closing Balance (\$)
Non-Discounted Services								
Fire	-\$ 437,733	\$ 121,928	-\$ 3,868	\$ 118,060	\$ 20,044	\$ -	\$ 20,044	-\$ 339,718
Police	-\$ 47,043	\$ 21,973	-\$ 472	\$ 21,502	\$ -	\$ 37,350	\$ 37,350	-\$ 62,891
Roads and Related	-\$ 878,952	\$ 1,784,520	-\$ 3,960	\$ 1,780,560	\$ 1,504,436	\$ 14,381	\$ 1,518,817	-\$ 617,209
Sanitary Sewage System	\$ 55,928	\$ 669,882	\$ 2,479	\$ 672,361	\$ 159,736	\$ 1,547	\$ 161,283	\$ 567,006
Waterworks System	\$ 3,087,411	\$ 296,992	\$ 31,848	\$ 328,840	\$ -	\$ 245,904	\$ 245,904	\$ 3,170,347
Discounted Services								
General Government	-\$ 801,352	\$ 86,675	-\$ 7,648	\$ 79,027	\$ -	\$ -	\$ -	-\$ 722,325
Public Works	\$ 304,412	\$ 60,414	\$ 3,320	\$ 63,735	\$ -	\$ -	\$ -	\$ 368,147
Parks and Recreation	-\$ 219,435	\$ 151,631	-\$ 1,595	\$ 150,036	\$ 10,122	\$ 19,618	\$ 29,740	-\$ 99,139
Library	\$ 364,313	\$ 76,323	\$ 3,977	\$ 80,300	\$ 2,067	\$ -	\$ 2,067	\$ 442,546
Sub-total	\$ 1,427,550	\$ 3,270,339	\$ 24,080	\$ 3,294,420	\$ 1,696,405	\$ 318,800	\$ 2,015,205	\$ 2,706,764
Camperdown Service Area non-Discounted Services								
Sanitary Sewage System	\$ 56,702	\$ -	\$ 570	\$ 570	\$ -	\$ -	\$ -	\$ 57,272
Waterworks System	-\$ 32,303	\$ -	-\$ 325	-\$ 325	\$ -	\$ -	\$ -	-\$ 32,628
Sub-total	\$ 24,399	\$ -	\$ 245	\$ 245	\$ -	\$ -	\$ -	\$ 24,644
Lora Bay Service Area Non-Discounted Services								
Sanitary Sewage System	-\$ 1,118,052	\$ 159,460	-\$ 10,918	\$ 148,542	\$ 522,164	\$ 6,565	\$ 528,729	-\$ 1,498,239
Waterworks System	\$ 39,959	\$ 21,977	\$ 689	\$ 22,666	\$ -	\$ -	\$ -	\$ 62,625
Sub-total	-\$ 1,078,094	\$ 181,437	-\$ 10,228	\$ 171,209	\$ 522,164	\$ 6,565	\$ 528,729	-\$ 1,435,614
Total Development Charges	\$ 373,855	\$ 3,451,776	\$ 14,097	\$ 3,465,874	\$ 2,218,569	\$ 325,365	\$ 2,543,935	\$ 1,295,795
Planning Act								
Recreational Land (Parkland)	\$ 1,042,312	\$ 84,300	\$ 10,622	\$ 94,922	\$ -	\$ -	\$ -	\$ 1,137,234
Total Deferred Revenue	\$ 1,416,167	\$ 3,536,076	\$ 24,719	\$ 3,560,796	\$ 2,218,569	\$ 325,365	\$ 2,543,934	\$ 2,433,029

Projects	New Development Charges	Other Reserve Funds	Reserves	Revenue Fund (Taxation)	Developer Contributions	Other Contributions	Total Amount Financed
Non-Discounted Services							
Mill Street Reconstruction	\$ 458,049	\$ -	\$ 132,481	\$ -		\$ -	\$ 590,530
Hwy 26 & Grey Road 2 EA	\$ 4,723	\$ -	\$ -	\$ -		\$ 9,446	\$ 14,169
Water Modelling Study	\$ 97,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,422
Grey 21 Servicing	\$ 36,655	\$ -	\$ -	\$ -	\$ 93,305	\$ -	\$ 129,960
Wastewater-Lake Drive Sewer Extension Debt Payment	\$ 522,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,164
Fire-Protective Equipment-Growth	\$ 5,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,282
Road-Mountain Drive South Reconstruction-Debt Repaymer	\$ 263,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,022
Grey Road 19-Craigleith WW-Debt Repayment	\$ 432,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,357
Thornbury West End Road Improvement	\$ 351,008	\$ 19,361	\$ 13,050	\$ 75,950	\$ 1,015,692	\$ -	\$ 1,475,061
Mountain Drive South-Operating	\$ 3,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,307
Fire-Radio& Communication	\$ 14,762	\$ -	\$ 19,393	\$ -	\$ -	\$ -	\$ 34,155
BM Distribution Admin	\$ 148,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,482
Thornbury West Sewer	\$ 8,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,112
Craigleith Road Sewer	\$ 5,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,436
OPP Station Loan Payment	\$ 37,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,350
Discounted Services							
Leisure Activities	\$ 19,618	\$ -	\$ 6,816	\$ -	\$ -	\$ -	\$ 26,434
Streetscape & Engineering	\$ 916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 916
Library Expansion	\$ 2,067	\$ -	\$ -	\$ 481	\$ -	\$ -	\$ 2,547
Tomahawk Irrigation	\$ 2,752	\$ -	\$ 306	\$ -	\$ -	\$ -	\$ 3,058
Waterfront Vistas	\$ 7,370	\$ -	\$ 819	\$ -	\$ -	\$ -	\$ 8,189
Camperdown Service Area Non-Discounted Services							
Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lora Bay Service Area Non-Discounted Services							
Sewer	\$ 123,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,081
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Charges	\$ 2,543,934	\$ 19,361	\$ 172,865	\$ 76,431	\$ 1,108,997	\$ 9,446	\$ 3,931,034
Planning Act							
Recreational Land							
see above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,543,934	\$ 19,361	\$ 172,865	\$ -	\$ 1,108,997	\$ -	\$ 3,931,034

Notes: Reserve funds are consolidated with interest allocated based on respective balances, including interest borrowed from the funds by the municipality.

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Credits Granted	Credits Transferred	Credits Used	Closing Balance (\$)
Roads and Related	\$ 129,971				\$ 129,971
Sanitary Sewage System	\$ -				\$ -
Waterworks System	\$ -				\$ -
Total	\$ 129,971	\$ -	\$ -	\$ -	\$ 129,971

	Opening Balance (\$)	Credits Granted	Credits Transferred	Credits Used	Closing Balance (\$)
Individual Credit Holders					
1562220 Ontario Limited	\$ 19,476				\$ 19,476
Siljon Investments Inc. (Farhills)	\$ 110,495				\$ 110,495
Total	\$ 129,971	\$ -	\$ -	\$ -	\$ 129,971

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Prepayments Earned	Prepayments Transferred	Prepayments Used/Recovered	Closing Balance (\$)
Roads and Related*	\$ 1,756,980				\$ 871,240
Roads and Related	\$ 871,240				\$ 1,958,693
Sanitary Sewage System	\$ 1,876,149	\$ 82,544			\$ 2,020
Waterworks System	\$ -	\$ 2,020			\$ 7,354,978
Sanitary Sewage System Camperdown	\$ 7,354,978				\$ 2,877,876
Waterworks System Camperdown	\$ 2,877,876				\$ 2,510,279
Sanitary Sewage System Lora Bay	\$ 2,669,739			\$ 159,460	\$ 95,839
Waterworks System Lora Bay	\$ 117,816			\$ 21,977	
Total	\$ 17,524,778	\$ 84,564	\$ -	\$ 181,437	\$ 15,670,925

Individual Prepayment Holders	Opening Balance (\$)	Prepayments Earned	Prepayments Transferred	Prepayments Used/ Recovered	Closing Balance (\$)
Alliance Peaks Meadows Inc.	\$ 1,278,649				\$ 1,278,649
The Neighbourhoods at Delphi Point Inc* (Phoebus)	\$ 1,591,061				\$ 1,591,061
The Neighbourhoods at Delphi Point Inc* (Delphi)	\$ 1,831,759				\$ 1,831,759
Georgian Bay Golf Club Ltd & Georgian Bay Estates Ltd*	\$ 3,972,779				\$ 3,972,779
P B Holdings Limited*	\$ 996,243				\$ 996,243
Sorichetti Development Group Inc*	\$ 1,288,331				\$ 1,288,331
William Allan Holdings Limited*	\$ 1,237,916				\$ 1,237,916
The Lora Bay Corporation	\$ 3,658,796			\$ 181,437	\$ 3,477,359
Castle Glen Development Corp	\$ 50,000				\$ 50,000
Langwest Developments Limited	\$ 25,000				\$ 25,000
Tryolean Village Resorts Limited	\$ 25,000				\$ 25,000
Georgian Sands Development Corporation	\$ 25,000				\$ 25,000
Craigeith Development Corporation	\$ 25,000				\$ 25,000
Tabera Limited	\$ 25,000				\$ 25,000
George H. Fleming & Associates Limited	\$ 2,020	\$ 2,020			\$ 4,040
Sobeys Capital Inc	-\$ 206,905				-\$ 206,905
Georgian International	\$ 1,699,129				\$ 1,699,129
Windfall GP Inc.	\$ -	\$ 84,544			\$ 84,544
Total	\$ 17,524,778	\$ 86,564	\$ -	\$ 181,437	\$ 17,429,905

Notes:

1. "Credits Granted" and "Prepayments Earned" in the year are included in "New Dev Charges" Revenues.
2. *potential Credits held for Camperdown Road were recognized as prepayments of development charges in the year
3. Credits and Prepayments held by the Camperdown developers are pursuant to the Camperdown Servicing Agreement, dated May 2, 2005, as amended, and subject to the terms and conditions of that agreement.
4. Credits and Prepayments held by The Lora Bay Corporation are pursuant to a cost sharing agreement, subdivision agreements, and pending servicing agreement and subject to the terms and conditions of those agreements.