

**STAFF REPORT: Financial and Information Services**

**REPORT TO:** Finance & Administration Committee  
**MEETING DATE:** February 15, 2011  
**REPORT NO.:** FIS.11.03  
**SUBJECT:** Treasurer's Statement, 2009  
**PREPARED BY:** Darcy Chapman, Capital Accountant  
Robert Cummings, Director of Financial & Information Services

**A. Recommendations**

THAT Council receive Staff Report FIS.11.03 - Treasurer's Statement, 2009 and;

THAT the Treasurer forward a copy of the Treasurer's Statement, 2009 and this report to the Minister of Municipal Affairs and Housing.

**B. Background**

Section 43 of the *Development Charges Act, 1997* 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.

Further, the Treasurer shall give a copy of the statement to the Minister of Municipal Affairs and Housing within 60 days after giving the statement to Council.

**C. The Blue Mountains' Strategic Plan**

Providing a strong, well managed municipal government

**D. Environmental Impacts**

Supporting Environmentally sound decisions

**E. Budget Impact**

The balances of the reserve funds and collections of development charges are taken into account in the preparation of the budget.

**F. Attached**

1. Treasurer's Statement, 2009 including schedules

Respectfully submitted,

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Robert Cummings  
Director of Financial & Information Services

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Darcy Chapman  
Capital Accountant

For more information, please contact:

Name: Darcy Chapman

Email Address: [dchapman@thebluemountains.ca](mailto:dchapman@thebluemountains.ca)

Business Telephone with Extension: 519-599-3131 x274



Report No.: **FIS.11.03**  
February 7, 2011  
Prepared by D. Chapman

Treasurer's Statement, 2009  
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-laws: Section 27 of the Development Charges By-law No. 2005-27, By-law No. 2009-56 and By-law No. 2009-70

Background:

Section 43 of the *Development Charges Act, 1997* 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. Further, the treasurer shall give a copy of the statement to the Minister of Municipal Affairs and Housing within 60 days after giving the statement to council.

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 2009 was \$1,504,170. The balance of the "old" development charges of the former Township and former Town were either consolidated with other reserve funds or transferred to the Capital Fund in previous years. Development charges collected, credits granted, and prepayments recognized in 2009 amounted to \$1,884,058. Interest earned by the development charges reserve funds in 2009 amounted to \$9,620. The projects financed, in whole or in part, by development charges are also provided on the attached schedule. Development charges represented \$2,525,738 in financing for the projects. The total closing balance of the development charges reserve funds at the ending of 2009 was \$752,374, being only "new" development charges. 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. 2005-27

#### 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: waste water services, including collection and treatment services for specific service areas.

Waterworks System: water supply services, including distribution and treatment services for specific service areas.

#### 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.

By-law No. 2009-70

#### 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

By-law No. 2009-56

#### Non-Discounted Services

Sanitary Sewage System Lora Bay: waste water 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 \$0 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 \$330,711 in prepayments were used in the year. There were \$129,971 in credits for roads and related services and \$16,551,824 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, being all 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 \$9,099,311.08 was due from the Revenue Fund and a net amount of \$3,496,952.56 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,

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Robert Cummings, CMA  
Director of Financial & Information  
Services

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Darcy Chapman  
Capital Accountant

**Town of The Blue Mountains**

Section 27 of By-law No. 2005-27, 2009-56, 2009-70  
07/02/2011

Financial Statement Relating to Development Charge By-laws and Reserve Funds  
(prepared pursuant to Section 43 of the *Development Charges Act, 1997* and Ontario Regulation 82/98)

For the Year Ended December 31, 2009

Reserve Fund Description and Categories of Services	Opening Balance \$	New Dev Charges	Park Land	Revenues		Sub-total	Capital Fund	Expenditures		Sub-total	Closing Balance \$
				Interest Own Funds see Note	Interest Other see Note			Revenue Fund	Other Adj		
<b>New Act</b>											
Town of The Blue Mountains, 2005-27											
Non-Discounted Services											
Fire	-\$ 283,092	\$ 20,885			-\$ 2,031	\$ 18,854	\$ 158,066			\$ 158,066	-\$ 422,304
Police	\$ 5,123	\$ 3,741			\$ 34	\$ 3,775	\$ 8,900			\$ 8,900	-\$ 2
Roads and Related	-\$ 1,907,365	\$ 45,919			-\$ 13,176	\$ 32,743	\$ 134,757			\$ 134,757	-\$ 2,009,378
Sanitary Sewage System	\$ 792,046	\$ 877,306	\$ -	\$ -	\$ 6,124	\$ 883,430	\$ 871,773	\$ -	\$ -	\$ 871,773	\$ 803,704
Waterworks System	\$ 3,135,001	\$ 347,101	\$ -	\$ -	\$ 21,505	\$ 368,606	\$ 202,895	\$ -	\$ 32	\$ 202,927	\$ 3,300,680
Discounted Services											
General Government	-\$ 562,180	\$ 7,988			-\$ 4,282	\$ 3,706	\$ 166,064			\$ 166,064	-\$ 724,538
Public Works	\$ 430,803	\$ 11,669			\$ 2,958	\$ 14,627	\$ 264,215			\$ 264,215	\$ 181,215
Parks and Recreation	\$ 569,335	\$ 57,141			\$ 3,222	\$ 60,363	\$ 447,452			\$ 447,452	\$ 182,247
Library	\$ 375,662	\$ 26,686			\$ 2,076	\$ 28,762	\$ 233,952			\$ 233,952	\$ 170,472
Sub-total	\$ 2,555,332	\$ 1,398,436	\$ -	\$ -	\$ 16,430	\$ 1,414,867	\$ 2,488,073	\$ -	\$ 32	\$ 2,488,105	\$ 1,482,094
Camperdown Service Area, 2009-70											
Non-Discounted Services											
Sanitary Sewage System	\$ 18,968	\$ -			\$ 131	\$ 131	\$ -	\$ 1,911	\$ 1,911	\$ 1,911	\$ 17,188
Waterworks System	\$ 29,075	\$ -			\$ 201	\$ 201	\$ -	\$ -	\$ -	\$ -	\$ 29,276
Sub-total	\$ 48,043	\$ -	\$ -	\$ -	\$ 332	\$ 332	\$ -	\$ 1,911	\$ 1,911	\$ 1,911	\$ 46,464
Lora Bay Service Area, 2009-56											
Non-Discounted Services											
Sanitary Sewage System	-\$ 1,304,560	\$ 253,638			-\$ 8,782	\$ 244,855	\$ 35,723	\$ 62,953	\$ 98,676	-\$ 1,158,380	
Waterworks System	\$ 205,354	\$ 231,984			\$ 1,640	\$ 233,624	\$ 1,943	\$ 54,839	\$ 56,782	\$ 382,196	
Sub-total	-\$ 1,099,206	\$ 485,622	\$ -	\$ -	-\$ 7,142	\$ 478,480	\$ 37,666	\$ 117,792	\$ 155,458	-\$ 776,184	
<b>Total Development Charges</b>	<b>\$ 1,504,170</b>	<b>\$ 1,884,058</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,620</b>	<b>\$ 1,893,678</b>	<b>\$ 2,525,738</b>	<b>\$ -</b>	<b>\$ 119,735</b>	<b>\$ 2,645,473</b>	<b>\$ 752,374</b>
Planning Act											
Recreational Land (Parkland)	\$ 691,392		\$ 3,052		\$ 4,531	\$ 7,584	\$ 79,635	\$ -	\$ 79,635	\$ 79,635	\$ 619,340
<b>Total Deferred Revenue</b>	<b>\$ 2,195,561</b>	<b>\$ 1,884,058</b>	<b>\$ 3,052</b>	<b>\$ -</b>	<b>\$ 14,151</b>	<b>\$ 1,901,261</b>	<b>\$ 2,605,373</b>	<b>\$ -</b>	<b>\$ 119,735</b>	<b>\$ 2,725,108</b>	<b>\$ 1,371,715</b>