

**STAFF REPORT: Finance & IT Services**

**REPORT TO:** Finance & Administration  
**MEETING DATE:** August 23, 2011  
**REPORT NO.:** FIT.11.23  
**SUBJECT:** Treasurer's Statement 2010  
**PREPARED BY:** Darcy Chapman, Capital Accountant  
 Robert Cummings, CMA  
 Director of Finance & IT Services

**A. Recommendations**

THAT Council receive Staff Report FIT.11.23, "Treasurer's Statement 2010"; and,

THAT the Treasurer forward a copy of the Treasurer's Statement 2010 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. Financial 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 2010 including schedules

Respectfully submitted,

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Darcy Chapman, Capital Accountant

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Robert Cummings,  
Director of Finance & IT Services

For more information, please contact:

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Report No.: **FIT.11.23**  
August 23, 2011  
Prepared by D. Chapman

Treasurer's Statement, 2010  
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. 2010-18, By-law No. 2009-56 and By-law No. 2009-70

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. 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 2010 was \$752,374. 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 2010 amounted to \$2,085,571. Interest earned by the development charges reserve funds in 2010 amounted to \$5178. The projects financed, in whole or in part, by development charges are also provided on the attached schedule. Development charges represented \$2,049,630 in financing for the projects. The total closing balance of the development charges reserve funds at the ending of 2010 was \$793,493, 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. 2010-18

#### 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.

#### 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: 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 \$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 \$0 in prepayments were used in the year. There were \$129,971 in credits for roads and related services and \$15,890,402 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 \$8,776,853.50 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 Finance & IT  
Services

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Darcy Chapman  
Capital Accountant

**Town of The Blue Mountains**

Section 27 of By-law No. 2010-18, 2009-56, 2009-70  
June 20, 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, 2010

Reserve Fund Description and Categories of Services	Opening Balance \$	Revenues					Expenditures				Closing Balance \$
		New Dev Charges	Park Land	Interest Own Funds see Note	Interest Other see Note	Sub-total	Capital Fund	Revenue Fund	Other Adj	Sub-total	
<b>New Act</b>											
Town of The Blue Mountains, 2005-27											
Non-Discounted Services											
Fire	-\$ 422,304	\$ 63,105			-\$ 3,327	\$ 59,778	\$ 225,394	\$ -	\$ -	\$ 225,394	-\$ 587,920
Police	-\$ 2	\$ 9,464			-\$ 31	\$ 9,433	\$ 9,408	\$ -	\$ -	\$ 9,408	\$ 22
Roads and Related	-\$ 2,009,378	\$ 467,344			-\$ 15,334	\$ 452,010	\$ 108,275	\$ -	\$ -	\$ 108,275	-\$ 1,665,643
Sanitary Sewage System	\$ 803,704	\$ 1,088,821	\$ -	\$ -	\$ 7,485	\$ 1,096,306	\$ 4,568	\$ 651,785	\$ -	\$ 656,353	\$ 1,243,658
Waterworks System	\$ 3,300,680	\$ 209,026	\$ -	\$ -	\$ 27,501	\$ 236,527	\$ -	\$ 267,146	\$ -	\$ 267,146	\$ 3,270,061
Discounted Services											
General Government	-\$ 724,538	\$ 36,209			-\$ 6,132	\$ 30,077	\$ -	\$ 34,027	\$ -	\$ 34,027	-\$ 728,489
Public Works	\$ 181,215	\$ 28,680			\$ 1,533	\$ 30,213	\$ 16,606	\$ -	\$ -	\$ 16,606	\$ 194,821
Parks and Recreation	\$ 182,247	\$ 133,549			-\$ 1,974	\$ 131,575	\$ 610,166	\$ 75,753	\$ -	\$ 685,919	-\$ 372,098
Library	\$ 170,472	\$ 40,656			\$ 1,632	\$ 42,288	\$ -	\$ -	\$ -	\$ -	\$ 212,760
Sub-total	\$ 1,482,094	\$ 2,076,854	\$ -	\$ -	\$ 11,353	\$ 2,088,207	\$ 974,418	\$ 1,028,712	\$ -	\$ 2,003,130	\$ 1,567,171
Camperdown Service Area, 2009-70											
Non-Discounted Services											
Sanitary Sewage System	\$ 17,188	\$ 6,546			\$ 191	\$ 6,737	\$ -	\$ -	\$ -	\$ -	\$ 23,925
Waterworks System	\$ 29,276	\$ 2,171			\$ 261	\$ 2,432	\$ -	\$ -	\$ -	\$ -	\$ 31,708
Sub-total	\$ 46,464	\$ 8,717	\$ -	\$ -	\$ 452	\$ 9,169	\$ -	\$ -	\$ -	\$ -	\$ 55,633
Lora Bay Service Area, 2009-56											
Non-Discounted Services											
Sanitary Sewage System	-\$ 1,158,380	\$ -			-\$ 9,724	-\$ 9,724	\$ -	\$ -	\$ -	\$ -	-\$ 1,168,104
Waterworks System	\$ 382,196	\$ -			\$ 3,096	\$ 3,096	\$ 32,364	\$ 14,136	\$ -	\$ 46,500	\$ 338,792
Sub-total	-\$ 776,184	\$ -	\$ -	\$ -	-\$ 6,628	-\$ 6,628	\$ 32,364	\$ 14,136	\$ -	\$ 46,500	-\$ 829,312
<b>Total Development Charges</b>	<b>\$ 752,374</b>	<b>\$ 2,085,571</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,178</b>	<b>\$ 2,090,749</b>	<b>\$ 1,006,783</b>	<b>\$ 1,042,847</b>	<b>\$ -</b>	<b>\$ 2,049,630</b>	<b>\$ 793,493</b>
Planning Act											
Recreational Land (Parkland)	\$ 619,340		\$ 246,709		\$ 5,596	\$ 252,305	\$ 66,034	\$ 67,045	\$ -	\$ 133,079	\$ 738,566
<b>Total Deferred Revenue</b>	<b>\$ 1,371,715</b>	<b>\$ 2,085,571</b>	<b>\$ 246,709</b>	<b>\$ -</b>	<b>\$ 10,773</b>	<b>\$ 2,343,053</b>	<b>\$ 1,072,817</b>	<b>\$ 1,109,892</b>	<b>\$ -</b>	<b>\$ 2,182,709</b>	<b>\$ 1,532,059</b>

**Town of The Blue Mountains**

Projects Financed, in whole or in part, by Development Charges  
(prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

For the Year Ended December 31, 2010

Projects	New Dev Charges	Parkland Reserve Fund	Other Reserve Funds	Reserves	Proceeds of Long Term Debt	Revenue Fund (Taxation)	Developer Contributions	User Rates	Other Contributions	Total Amount Financed
<b>New Act</b>										
<b>Town of The Blue Mountains, 2010-18</b>										
Non-Discounted Services										
Fire: Pick up Truck	\$ 19,985									\$ 19,985
Fire: Rescue Pumper	\$ 156,015				\$ 58,734	\$ 126,642				\$ 341,391
Fire: Fire Fighter Equipment	\$ 25,437									\$ 25,437
Fire: Specialized Rescue Equipment	\$ 12,694									\$ 12,694
Fire: Fire Station Addition	\$ 10,067									\$ 10,067
Fire: Emergency Management - Backup GENSET	\$ 1,197									\$ 1,197
Police: Police Station debt repayment	\$ 9,408									\$ 9,408
Mountain Drive Phase 2 South	\$ 108,275									\$ 108,275
Craigleith Sewage Treatment Plant debt repayment	\$ 557,123									\$ 557,123
Thornbury Sewage Treatment Plant Ph 1 debt repayment	\$ 82,867									\$ 82,867
Thornbury Sewage Treatment Plant Phase 2	\$ 4,568									\$ 4,568
Craigleith West Drainage Plan	\$ 5,898									\$ 5,898
Craigleith East Drainage Plan	\$ 5,898									\$ 5,898
Water Modelling & Distribution Analysis	\$ 99,170			\$ 27,063						\$ 126,233
Thornbury Reservoir debt repayment	\$ 167,976									\$ 167,976
Discounted Services										
Development Charges Background Study Update	\$ 3,188					\$ 354				\$ 3,542
Official Plan Review	\$ 1,839					\$ 204				\$ 2,044
Housing Needs Study	\$ 9,000			\$ 5,602		\$ 2,989				\$ 17,591
Site Plan Design Guidelines	\$ 6,500					\$ 7,619				\$ 14,119
Streetscape & Engineering Standards	\$ 13,500					\$ 4,431				\$ 17,931
Tomahawk Machinery & Equipment - Overseeder/Dethatcher	\$ 8,187			\$ 910						\$ 9,097
Tomahawk Golf & Soccer Facility Land debt repayment	\$ 54,855	\$ 67,045								\$ 121,900
Parks Georgian Trail Improvements	\$ 12,711					\$ 3,737				\$ 16,448
Riverwalk Trail	\$ 90,000				\$ 10,000	\$ 25,000		\$ 258,940		\$ 383,940
Delphi Point Park & Trail Development	\$ 95,283		\$ 10,587							\$ 105,870
Heathcote Property Development	\$ 34,477			\$ 3,831						\$ 38,307
Parks Operations Building debt repayment	\$ 390,407									\$ 390,407
Roads Machinery & Equipment - Wood Chipper	\$ 16,606			\$ 1,845						\$ 18,452
Camperdown Service Area, 2009-70										
Non-Discounted Services										
Sewer	\$ -									\$ -
Water	\$ -									\$ -
Lora Bay Service Area, 2009-56										
Non-Discounted Services										
Sewer	\$ -									\$ -
Water	\$ 46,500									\$ 46,500
<b>Total Development Charges</b>	<b>\$ 2,049,630</b>	<b>\$ 67,045</b>	<b>\$ 10,587</b>	<b>\$ 49,250</b>	<b>\$ 58,734</b>	<b>\$ 170,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 258,940</b>	<b>\$ 2,665,162</b>
Planning Act										
Recreational Land										
see above	\$ 133,079	\$ -	\$ -			\$ -				\$ 133,079
<b>Total</b>	<b>\$ 2,182,709</b>	<b>\$ 67,045</b>	<b>\$ 10,587</b>	<b>\$ 49,250</b>	<b>\$ 58,734</b>	<b>\$ 170,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 258,940</b>	<b>\$ 2,798,241</b>

Notes:

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

E&OE

**Town of The Blue Mountains**

Credits Outstanding under Section 38 of the Development Charges Act, 1997  
(prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

For the Year Ended December 31, 2010

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	\$ -				\$ -
<b>Total</b>	<b>\$ 129,971</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,971</b>

Individual Credit Holders

1562220 Ontario Limited	\$ 19,476				\$ 19,476
Siljon Investments Inc. (Farhills)	\$ 110,495				\$ 110,495
<b>Total</b>	<b>\$ 129,971</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,971</b>

Supplementary Information

Prepayments Outstanding under Section 27 of the Development Charges Act, 1997  
(prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

For the Year Ended December 31, 2010

Reserve Fund Description and Categories of Services	Opening Balance \$	Prepayments Earned	Prepayments Transferred	Prepayments Used/Recovered	Closing Balance \$
Roads and Related*	\$ 1,963,885				\$ 1,963,885
Roads and Related	\$ 871,240				\$ 871,240
Sanitary Sewage System	\$ -				\$ -
Waterworks System	\$ -				\$ -
Sanitary Sewage System Camperdown	\$ 7,381,162				\$ 7,381,162
Waterworks System Camperdown	\$ 2,886,560				\$ 2,886,560
Sanitary Sewage System Lora Bay	\$ 2,669,739				\$ 2,669,739
Waterworks System Lora Bay	\$ 117,816				\$ 117,816
<b>Total</b>	<b>\$ 15,890,402</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,890,402</b>

Individual Prepayment Holders

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*	\$ 4,007,647				\$ 4,007,647
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				\$ 3,658,796
<b>Total</b>	<b>\$ 15,890,402</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,890,402</b>

- Notes:
- "Credits Granted" and "Prepayments Earned" in the year are included in "New Dev Charges" Revenues.
  - \*potential Credits held for Camperdown Road were recognized as prepayments of development charges in the year
  - 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.
  - 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.
  - Credits held by 1562220 Ontario Limited are pursuant to a subdivision agreement and subject to the terms and conditions of that agreement.