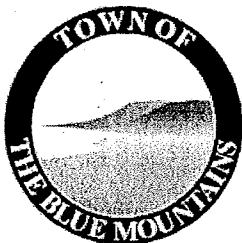


C.4

STAFF REPORT: FINANCIAL SERVICES



REPORT TO: Finance & Administration Committee
MEETING DATE: April 22, 2008
REPORT NO.: FS.08.04
SUBJECT: Treasurer's Statement, 2006
PREPARED BY: D. Chapman, Capital Accountant
Robert Cummings, Director of Finance

A. Recommendations

THAT Council adopt Staff Report FS.08.04 -- Treasurer's Statement, 2006 and;
THAT the Treasurer forward a copy of the Treasurer's Statement, 2006 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. Budget Impact (cc: Treasury if required)

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

E. Attached (Relevant documentation not personal information about an identifiable person)

Treasurer's Statement, 2006 including schedules

Respectfully submitted,


Robert Cummings, Director of Finance



Report No.: **FS.08.04**
March 27, 2008
Prepared by D. Chapman

Treasurer's Statement, 2006
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. 2005-28, and By-law No. 2005-29

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 a 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 2006 was \$5,785,003. 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 2006 amounted to \$3,510,636. Interest earned by the development charges reserve funds in 2006 amounted to \$305,564. The projects financed, in whole or in part, by development charges are also provided on the attached schedule. Development charges represented \$2,329,717 in financing for the projects. The total closing balance of the development charges reserve funds at the ending of 2006 was \$7,271,485, 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. 2005-28

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. 2005-29

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 \$181,353 in credits outstanding at the beginning of the year: \$181,353 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 \$396,352 in prepayments were used in the year. There were \$181,353 in credits for roads and related services and \$2,658,777 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 \$5,419,650.62 was due from the Revenue Fund and a net amount of \$3,616,028.21 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.

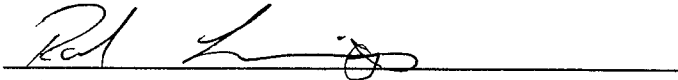
Taxation, user rates, reserves, reserve funds, and other sources were used by the municipality to repay money borrowed from the consolidated reserve funds or interest on such money. The

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,

A handwritten signature in black ink, appearing to read "Robert Cummings", is written over a solid horizontal line.

Robert Cummings, Director of Finance

Town of The Blue Mountains

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 82/99)

For the Year Ended December 31, 2006

Section 27 of By-Law No. 2005-27, 28, 29

July 14, 2008

K:\...2005dev\section272005.xls

Page 1

Reserve Fund Description and Categories of Services	Opening Balance \$	New Dev Charges	Park Land	Revenues		Interest Other see Note	Sub-total	Capital Fund	Revenue Fund	Expenditures		Sub-total	Closing Balance \$
				Interest Own Funds see Note	Other see Note					Other Adj			
New Act													
Town of The Blue Mountains, 2005-27													
Non-Discounted Services													
Fire	\$ 8,843	\$ 157,225			\$ 104	\$ 157,329	\$ 159,645					\$ 159,645	\$ 6,528
Police	\$ 111,268	\$ 28,217			\$ 5,144	\$ 33,361						\$ 33,361	\$ 144,629
Roads and Related	\$ 39,239	\$ 587,731			\$ 16,494	\$ 604,225						\$ 604,225	\$ 643,464
Sanitary Sewage System	\$ 2,634,544	\$ 1,063,267			\$ 122,432	\$ 1,185,699	\$ 1,410,044	\$ -				\$ 1,410,044	\$ 2,410,199
Waterworks System	\$ 2,248,902	\$ 882,743			\$ 115,398	\$ 998,141	\$ 141,224	\$ -				\$ 141,224	\$ 3,105,819
Discounted Services													
General Government	\$ 485,886	\$ 59,858			\$ 18,001	\$ 41,857	\$ 19,670					\$ 19,670	\$ 463,699
Public Works	\$ 157,921	\$ 87,675			\$ 8,458	\$ 96,134	\$ 102,839					\$ 102,839	\$ 151,216
Parks and Recreation	\$ 869,105	\$ 439,128			\$ 43,066	\$ 482,194	\$ 324,390					\$ 324,390	\$ 1,026,910
Library	\$ 199,842	\$ 204,792			\$ 12,419	\$ 217,211	\$ 171,906					\$ 171,906	\$ 245,146
Sub-total	\$ 5,783,779	\$ 3,510,636			\$ 305,515	\$ 3,816,151	\$ 2,329,717	\$ -				\$ 2,329,717	\$ 7,270,212
Camperdown Service Area, 2005-28													
Non-Discounted Services													
Sanitary Sewage System	\$ 3,322				\$ 133	\$ 133	\$ 133					\$ 133	\$ 3,455
Waterworks System	\$ 1,888				\$ 68	\$ 68	\$ 68					\$ 68	\$ 1,756
Sub-total	\$ 5,011				\$ 201	\$ 201	\$ 201					\$ 201	\$ 5,211
Lora Bay Service Area, 2005-29													
Non-Discounted Services													
Sanitary Sewage System	\$ 7,180				\$ -	\$ 288	\$ 288					\$ 288	\$ 7,467
Waterworks System	\$ 3,392				\$ 136	\$ 136	\$ 136					\$ 136	\$ 3,528
Sub-total	\$ 3,787				\$ 152	\$ 152	\$ 152					\$ 152	\$ 3,939
Total Development Charges													
	\$ 5,785,003	\$ 3,510,636	\$ -	\$ -	\$ 305,564	\$ 3,816,200	\$ 2,329,717	\$ -	\$ -	\$ -	\$ -	\$ 2,329,717	\$ 7,271,485
Planning Act													
Recreational Land (Parkland)	\$ 276,422	\$ 203,213			\$ 17,699	\$ 220,912	\$ 6,476					\$ 6,476	\$ 490,861
Total Deferred Revenue													
	\$ 6,061,424	\$ 3,713,849	\$ -	\$ -	\$ 323,263	\$ 4,037,112	\$ 2,336,193	\$ -	\$ -	\$ -	\$ -	\$ 2,336,190	\$ 7,762,346

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 82/99)

For the Year Ended December 31, 2006

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
Old Act	\$ -	-	-	-	-	\$ -	-	-	-	\$ -
New Act										
Town of The Blue Mountains, 2005-27										
Non-Discounted Services										
Fire: Rescue Pumper Truck	\$ 120,000					\$ 111,853				\$ 231,853
Fire: Specialized Equipment	\$ 39,645					-				\$ 39,645
Comprehensive Environmental Assessment	\$ 17,142									\$ 17,142
Combined Environmental Assessment - Wastewater	\$ 126,239									\$ 126,239
Craigleith Sewage Treatment Plant incl debt repayment	\$ 659,373									\$ 659,373
Thornbury Sewage Treatment Plant incl debt repayment	\$ 82,657									\$ 82,657
Thornbury Sewage Pump Station	\$ 126,330									\$ 126,330
Thornbury Sewage Siphon	\$ 10,500									\$ 10,500
Craigleith Duplicate Foremain & SPS	\$ 387,945				\$ 1,136,972					\$ 1,457,626
Combined Environmental Assessment - Water	\$ 126,242				\$ 1,447,126					\$ 387,945
Alfred Street Watermain Loop	\$ 8,110									\$ 8,110
Thornbury Water Storage	\$ 6,729									\$ 6,729
Discounted Services										
Long Term Financial Model	\$ 1,054			\$ 117						\$ 1,171
Fire Master Plan	\$ 6,345			\$ 705						\$ 7,050
Parks and Recreation Master Plan	\$ 9,469			\$ 1,052						\$ 10,521
Gen Government - Other Studies (Library)	\$ 11,111			\$ 1,235						\$ 12,346
Gen Government - Public Works (Parking Study)	\$ 12,271									\$ 12,271
Public Works - Other Heavy Equipment (Backhoe)	\$ 102,839			\$ 11,427						\$ 114,266
Parks Georgian Trail Improvements	\$ 10,985									\$ 10,985
Parks Trails - Other (Riverwalk)	\$ 215,026									\$ 215,026
Parks Trails - Other Development	\$ 26,998									\$ 26,998
Parks Equipment - Skateboard Park	\$ 12,411									\$ 12,411
Parks Equipment - Little River Park	\$ 23,597									\$ 23,597
Parks Vehicles	\$ 25,904									\$ 25,904
Library Parking Lot	\$ 154,158			\$ 17,129					\$ 5,000	\$ 171,287
Library Furniture and Equipment	\$ 6,637			\$ 3,871						\$ 10,508
Camperdown Service Area, 2005-28										
Non-Discounted Services										
Sewer	\$ -									\$ -
Water	\$ -									\$ -
Lora Bay Service Area, 2005-29										
Non-Discounted Services										
Sewer	\$ -									\$ -
Water	\$ -									\$ -
Total Development Charges	\$ 2,329,717	\$ -	\$ -	\$ 35,536	\$ 2,684,099	\$ 152,068	\$ -	\$ -	\$ 5,000	\$ 5,076,419
Planning Act										
Recreational Land	\$ -	\$ 6,476	\$ -							\$ 6,476
see above										
Total	\$ 2,329,717	\$ 6,476	\$ -	\$ 35,536	\$ 2,684,099	\$ 152,068	\$ -	\$ -	\$ 5,000	\$ 5,082,895

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

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 82/99)

For the Year Ended December 31, 2006

Reserve Fund Description and Categories of Services	For the Year Ended December 31, 2006			Credits Used	Closing Balance \$
	Opening Balance \$	Credits Granted	Credits Transferred		
Roads and Related Sanitary Sewage System Waterworks System	\$ 181,353	\$ -	\$ -	\$ -	\$ 181,353
Total	\$ 181,353	\$ -	\$ -	\$ -	\$ 181,353
Individual Credit Holders					
The Lora Bay Corporation	\$ 51,382				\$ 51,382
1562220 Ontario Limited	\$ 19,476				\$ 19,476
Siljon Investments Inc. (Farhills)	\$ 110,495				\$ 110,495
Total	\$ 181,353	\$ -	\$ -	\$ -	\$ 181,353

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 82/99)

For the Year Ended December 31, 2006

Reserve Fund Description and Categories of Services	For the Year Ended December 31, 2006			Credits Used	Closing Balance \$
	Opening Balance \$	Prepayments Earned	Prepayments Transferred		
Roads and Related* Roads and Related Sanitary Sewage System Waterworks System	\$ 744,991	\$ -	\$ -	\$ 133,313	\$ 611,678
Sanitary Sewage System Campertown Waterworks System Campertown Sanitary Sewage System Lora Bay Waterworks System Lora Bay	\$ 221,390	\$ 320,633	\$ 1,402,508	\$ 168,560	\$ 52,830
	\$ 365,607	\$ 1,402,508	\$ 365,607	\$ 94,479	\$ 226,154
Total	\$ 3,055,129	\$ -	\$ -	\$ 396,352	\$ 2,658,777

Individual Prepayment Holders

Alliance Peaks Meadows Inc.	\$ 158,672	\$ -	\$ 26,928	\$ 131,744
The Neighbourhoods at Delphi Point Inc*	\$ 317,346	\$ -	\$ 344,236	\$ 317,346
Georgian Bay Golf Club Ltd & Georgian Bay Estates Ltd*	\$ 405,607	\$ -	\$ -	\$ 61,271
P B Holdings Limited*	\$ 133,962	\$ -	\$ -	\$ 133,962
Sorichetti Development Group Inc*	\$ 119,933	\$ -	\$ -	\$ 119,933
William Allan Holdings Limited*	\$ 151,594	\$ -	\$ 25,188	\$ 126,406
The Lora Bay Corporation	\$ 1,768,115	\$ -	\$ -	\$ 1,768,115
Total	\$ 3,055,129	\$ -	\$ 396,352	\$ 2,658,777

Notes:

- "Credits Granted" and "Prepayments Earned" in the year are included in "New Dev Charges" Revenues.
- "Potential Credits held for Campertown Road were recognized as prepayments of development charges in the year and subject to the terms and conditions of that agreement.
- Credits and Prepayments held by the Campertown developers are pursuant to the Campertown 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.