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**To:** Council  
**From:** Cindy Delgreco, Director of Finance/Treasurer  
**Date of Meeting:** May 10, 2023  
**Subject:** 2022 Development Charges - Treasurer's Annual Statement

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**Background:**

The purpose of this report is to provide Council with the Treasurer’s Annual Statements of Development Charge Reserve Funds, as required under the Development Charges Act (the Act).

**Discussion:**

Development charges are one-time fees levied on new residential and non-residential properties to fund a portion of the Township’s growth-related capital costs. The authority to introduce development charges is authorized by provincial legislation, and the schedule of capital projects and rates are outlined within the Development Charges Background Study and By-law.

As outlined in the Act, the Treasurer shall provide an annual statement to Council containing information for the prior calendar year. The information to be included in this statement is set out in section 43 of the Act and includes the following:

- A statement of opening and closing balances of all DCs reserve funds and the transactions relating to each of these funds;
- The transactions shall identify all the capital costs funded by the reserve fund and the amounts funded from other sources outside of the DCs;
- A statement of compliance with s. 59.1 (1) of the Act confirming that no charges to the reserve funds occurred that are not permitted under the Act; and
- Council shall ensure that the statement is made available to the public.

The Annual Treasurer’s Statement of DC Reserve Funds can be found in Appendix “A” attached. In summary, the 2022 activity is as follows:

<b>Opening Balance:</b>	<b>\$0</b>
Additions:	
DC collections	\$29,983.80
Interest income earned	\$106.40
Less:	
Projects funded	\$0
Net Change :	\$30,090.20
<b>Closing Balance:</b>	<b>\$30,090.20</b>

The balance in the obligatory reserve funds is made up of the following major categories:

DC RESERVE-Services Related to Highway	\$6,499.48
DC RESERVE-Fire Protection Services	\$6,890.66
DC RESERVE-Parks & Recreation Services	\$16,038.08
DC RESERVE-Growth-Related Studies	\$661.98
<b>Total Development Charge reserve funds</b>	<b>\$30,090.20</b>

Development Charges came into effect on September 15, 2022. In the year 2022 no amounts were used to fund operating or tangible capital asset acquisitions.

No amounts have been borrowed from the funds during the year. Therefore, no amounts have been repaid for any previous borrowings as there have been no previous borrowings.

### **Financial Impact**

The Township's Development Charges Background Study was completed in 2022 and the rates took effect September 15, 2022 with the passing of the municipal-wide DC By-law 2022-057 passed July 13, 2022, which will remain in affect for five years.

Revenues collected from DCs will not be consistent year over year as they are related to timing of approvals for development activity, which can span multiple years particularly when considering multiple unit development.

DCs are an important component of the Township's long-term financial plan. As outlined in the Development Charges Act, the funds collected through DCs may only be used to finance growth related projects identified in the Development Charges Background Study.

### **Conclusion**

The Township's development charge activity for 2022 complies with the Development Charges Act and no charges to the reserve funds occurred that are not permitted under the Act.

## Appendix A

### ANNUAL TREASURER'S STATEMENT OF DC RESERVE FUNDS FOR THE YEAR ENDING DECEMBER 31, 2022

Description	Services Related to Highway	Fire Protection Services	Parks & Recreation Services	Growth-Related Studies	Total
GL Account Number (collections)	4-7-1000-0981	4-7-1000-0982	4-7-1000-0983	4-7-1000-0984	
Opening Balance January 1, 2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Plus:</u>					
Development Charges collected	\$6,476.50	\$6,866.29	\$15,981.37	\$659.64	\$29,983.80
Interest Income	\$22.98	\$24.37	\$56.71	\$2.34	\$106.40
<b><i>Sub-Total</i></b>					
<u>Less:</u>					
Amount transferred to Capital or other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b><i>Sub-Total</i></b>					
Closing Balance, December 31, 2022	\$6,499.48	\$6,890.66	\$16,038.08	\$661.98	\$30,090.20

Please note that these amounts are unaudited and may be subject to change.