

To: Mayor McKenzie & Members of Council
From: Wendy McMurray, Treasurer
Subject: 2025 Treasurer's Statement of Development Charges Reserve
Date: March 16, 2026

Recommendation:

That the Council of the Municipality of West Perth approve the transfer of \$438,129.14 as of December 31, 2025 as shown in Appendix 3 Repayment in Current Year from Collected Development Charges from the Development Charges Reserve to the following reserves:

- Reserve for Transportation Bridges and Culverts \$167,525.24
- Wastewater Reserve Fund \$25,484.34
- Reserve for Fire Department \$39,255.79
- Water Reserve Fund \$205,863.77 and,

That the 2025 Treasurer's Statement of Development Charges Reserve Funds be made publicly available upon request and on the Municipality's website.

Purpose:

The purpose of this report is to provide Council with the 2025 Treasurer's Statement of Development Charges Reserve Funds as required under the Development Charges Act, and West Perth's Development Charges By-Law 63-2024.

Background:

The Development Charges Act (DC Act) requires that the Treasurer annually provides Council with a report summarizing transactions for the year in the Development Charges Reserve. See Appendix 1 for the 2025 Treasurer's Statement of Development Charges Reserve Fund (Treasurer's Statement).

Section 12 of O.Reg 82/98 prescribes the information that must be included in the Treasurer's Statement. The information is in addition to the opening and closing balance for the previous year and the transactions relating to the current year.

Development Charges (DC) collected in accordance with By-Law 63-2024 are deposited into the DC Reserve Fund, which is broken down into the following separate services for 2025:

- Services Related to a Highway (Transportation)
- Fire Protection Services

- Policing Services
- Parks and Recreation Services
- Library Services
- Provincial Offences Act Including By-Law Enforcement
- Waste Diversion
- Growth Studies
- Stormwater Drainage and Control Services
- Water Services
- Wastewater Services

DC reserve funds are used to fund the eligible growth-related costs of specified projects once the costs have been incurred.

The Development Charges Act, 1997 provides that where a development charge is phased in, any resulting shortfall cannot be recovered through higher charges on other development. Under the current DC by-law, charges are phased in at 85% from February 1, 2025 to January 31, 2026. As a result, developers are paying 85% of the calculated rate and the remaining 15% shortfall is funded from the municipal levy.

For budgeting purposes, the DC shortfall was initially estimated at \$94,685 based on 30 units. Actual applications during the phase-in period totaled 42 units, resulting in a revised shortfall of \$71,609.38. The variance reflects the timing of applications relative to the phase-in schedule. In accordance with the Act, this shortfall is funded by the municipality and cannot be recovered from development.

PSAB Requirements

Public Sector Accounting Board (PSAB) reporting requirements must be followed by the Municipality on its financial statements. Following PSAB reporting, development charges shall only be recognized as revenue when the eligible expenses of DC have been incurred.

Analysis:

The 2025 Treasurer's Statement of Development Charges Reserve Funds can be found in Appendix 1. In summary, the 2025 activity is as follows:

| | | |
|---|----|--------------|
| Opening Balance, January 1, 2025 | \$ | 680,120.80 |
| Plus: | | |
| DC Collections | | 551,587.85 |
| Net Funds due to 2025 Phase-In | | 71,609.38 |
| Interest Income Earned | | 27,422.13 |
| Less: | | |
| Repayment of Outstanding Commitments for Prior Year Projects | | (457,052.60) |
| Projects Funded in Current Year | | (58,708.27) |
| Closing Balance, December 31, 2025 | \$ | 814,979.29 |

The Development Charges reserve fund opened January 1, 2025 with a balance of \$680,120.80. During the year, the reserve increased by \$551,587.85 in DC collections; \$71,609.38 representing net funds related to the 2025 phase-in, and \$27,422.13 in interest income. These increases were partially offset by \$457,052.60 for repayment of outstanding commitments from prior year projects and \$58,708.27 for projects funded in the current year. As a result, the reserve closed December 31, 2025 with a balance of \$814,979.29.

Projects costs incurred in the current year (\$58,708.27) include:

- Parks and Recreation Services - Tractor \$34,079.42
- Library Collection \$24,628.85

As indicated in Appendix 2, the DC recoverable costs of some projects were cash-flowed by other reserves in prior years as the DC service account did not have enough to fund all DC eligible costs. As a result, DC balances in Growth Related Studies, Services Related to a Highway (Transportation), Stormwater Drainage and Control Services, Fire Protections, and Water Services show an outstanding commitment. As of December 31, 2025, there is a total outstanding commitment to reserves of \$2,365,070.62 (summarized in Appendix 1). For services categories with outstanding commitments, future development charges collected must first be used to repay the outstanding balances owing to other reserves.

Based on the current outstanding development charge commitments and assuming growth and collections continue at a similar pace to the previous year, an estimate can be made regarding the time required to clear the existing commitments. By dividing the outstanding commitments by the annual DC collections for each service category, the approximate repayment periods are calculated as follows:

- Services Related to a Highway: 2.38 years
- Fire Protection Services: 22.46 years
- Growth Related Studies: 2.80 years

- Stormwater Drainage and Control Services 11.57 years
- Water Services 3.59 years

These estimates are intended to provide a general indication of repayment timelines and do not account for any additional development charge-funded projects that may be initiated in 2026 or future years.

Financial:

To summarize

Services that have a positive balance:

- Police Services \$187.28
- Parks and Recreation \$407,727.56
- Provincial Offenses Act Including By-Law Enforcement \$437.54
- Waste Diversion \$562.67
- Wastewater \$406,064.24
- Total \$814,979.29

Services that have an outstanding commitment:

- Services Related to a Highway (\$398,961.80)
- Fire Protection Services (\$881,701.43)
- Growth Related Studies (\$51,438.37)
- Stormwater Drainage and Control Services (\$294,769.49)
- Water Services (\$738,199.53)
- Total (\$2,365,070.62)

This leaves the overall adjusted DC balance in an overdraft position of (\$1,550,091.33).

Attachments:

2025 Treasurer's Statement of Development Charges Reserve Funds

Appendix 1
Municipality of West Perth
2025 Treasurer's Statement of Development Charges Reserve Funds

| Description | Services to which the Development Charge Relates | | | | | | | | | | | |
|--|--|--------------------------|--------------------------------|-------------------------------|-------------------------------|---|------------------------------|------------------------|--|---------------------|---------------------|--------------------------|
| | Services Related to a Highway (Transportation) | Fire Protection Services | Policing Services ³ | Parks and Recreation Services | Library Services ³ | Provincial Offences Act Including By-Law Enforcement ³ | Waste Diversion ³ | Growth-Related Studies | Stormwater Drainage and Control Services | Water Services | Wastewater Services | Total |
| URBAN Area DC Allocation - RESIDENTIAL | 26.80% | 6.28% | 0.03% | 6.05% | 3.94% | 0.07% | 0.09% | 2.93% | 4.10% | 33.12% | 16.59% | 100.00% |
| RURAL Area DC Allocation - RESIDENTIAL | 58.03% | 13.59% | 0.05% | 13.09% | 8.54% | 0.15% | 0.20% | 6.35% | 0.00% | 0.00% | 0.00% | 100.00% |
| URBAN Area DC Allocation -NON- RESIDENTIAL | 29.71% | 6.97% | 0.00% | 0.84% | 0.56% | 0.14% | 0.14% | 1.81% | 4.60% | 36.82% | 18.41% | 100.00% |
| RURAL Area DC Allocation - NON-RESIDENTIAL | 73.96% | 17.36% | 0.00% | 2.08% | 1.39% | 0.35% | 0.35% | 4.51% | 0.00% | 0.00% | 0.00% | 100.00% |
| Opening Balance, January 1, 2025 | 0.00 | 0.00 | 0.00 | 388,331.61 | 0.00 | 0.00 | 0.00 | 584.54 | 0.00 | 0.00 | 291,204.65 | 680,120.80 |
| Plus: | | | | | | | | | | | | |
| Development Charge Collections - Urban Area Residential | 147,389.27 | 34,537.49 | 164.99 | 33,272.58 | 21,668.42 | 384.97 | 494.96 | 16,113.83 | 22,548.36 | 182,146.74 | 91,238.36 | 549,959.97 |
| Development Charge Collections - Rural Area Residential | 944.66 | 221.23 | 0.81 | 213.09 | 139.02 | 2.44 | 3.26 | 103.37 | - | - | - | 1,627.88 |
| Development Charge Collections - Urban Area Non-Residential | - | - | - | - | - | - | - | - | - | - | - | - |
| Development Charge Collections - Rural Area Non-Residential | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Interest | - | - | - | 15,657.33 | - | - | - | 23.57 | - | - | 11,741.23 | 27,422.13 |
| Transfer for 2025 Shortfall of DC charges collected due to Phased-in Charges - Urban Residential | 19,191.31 | 4,497.07 | 21.48 | 4,332.37 | 2,821.41 | 50.13 | 64.45 | 2,098.15 | 2,935.98 | 23,717.03 | 11,880.00 | 71,609.38 |
| Transfer for 2025 Shortfall of DC charges collected due to Phased-in Charges - Rural Residential | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer for 2025 Shortfall of DC charges collected due to Phased-in Charges - Urban Non-Residential | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer for 2025 Shortfall of DC charges collected due to Phased-in Charges - Rural Non-Residential | - | - | - | - | - | - | - | - | - | - | - | - |
| Amounts Loaned from Other D.C. Service Category for Interim Financing | | | | | | | | | | | | - |
| Repayment of Monies Borrowed from Fund and Associated Interest | | | | | | | | | | | | - |
| Sub-Total | 167,525.24 | 39,255.79 | 187.28 | 53,475.37 | 24,628.85 | 437.54 | 562.67 | 18,338.92 | 25,484.34 | 205,863.77 | 114,859.59 | 650,619.36 |
| Less: | | | | | | | | | | | | |
| Amount Transferred for repayment of outstanding commitments (Current Yr D.C. Draw) ¹ | (167,525.24) | (39,255.79) | | | | | | (18,923.46) | (25,484.34) | (205,863.77) | | (457,052.60) |
| Amount Transferred to Capital (or Other) Funds ¹ (Current Yr D.C. Draw) | | | | (34,079.42) | (24,628.85) | | | | | | | (58,708.27) |
| Amounts Refunded | | | | | | | | | | | | 0.00 |
| Amounts Loaned to Other D.C. Service Category for Interim Financing | 0.00 | 0.00 | | 0.00 | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Credits (none) | 0.00 | 0.00 | | 0.00 | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-Total | (167,525.24) | (39,255.79) | 0.00 | (34,079.42) | (24,628.85) | 0.00 | 0.00 | (18,923.46) | (25,484.34) | (205,863.77) | 0.00 | (515,760.87) |
| Closing Balance, December 31, 2025 | 0.00 | 0.00 | 187.28 | 407,727.56 | 0.00 | 437.54 | 562.67 | 0.00 | 0.00 | 0.00 | 406,064.24 | \$ 814,979.29 |
| December 31, 2025 Outstanding Commitments to Reserves | (398,961.80) | (881,701.43) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (51,438.37) | (294,769.49) | (738,199.53) | 0.00 | (2,365,070.62) |
| Adjusted December 31, 2025 Balance | (398,961.80) | (881,701.43) | 187.28 | 407,727.56 | 0.00 | 437.54 | 562.67 | (51,438.37) | (294,769.49) | (738,199.53) | 406,064.24 | \$ (1,550,091.33) |

Note ²

Note ²

Note ²

Note ²

¹ See Appendix 2 and 3 for details

² No money was spent in these service categories as there were no eligible DC projects that occurred in 2025 in these service categories. Balances are accumulating to support future projects. Refer to the 2024 Development Charges Background Study for identified projects.

³ These service categories were newly introduced in the 2024 DC Background Study. Collections for these service categories commenced February 1, 2025.

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act. Intended future DC funding and projects are identified in the 2024 Development Charges Background Study.

Appendix 2
Municipality of West Perth
2025 Treasurer's Statement of Development Charges Reserve Funds

| Capital Fund Transactions | NOTES | COSTS | | | | | FUNDING | | | | | | | | | | |
|---|-------|------------------------------------|------------------------------|---------------------|------------------|-------------------|-------------------------------------|---------------------------|---------------------|---------------------------------------|---|---------------------------------------|--------------------------------------|---|--|----------------|---------------------------------------|
| | | Actual Year of Capital Expenditure | Gross Capital Cost (Actuals) | Post-Period Benefit | Other Deductions | Net Capital Costs | D.C. Recoverable Cost Share | | | | | | Non-D.C. Recoverable Cost Share | | | | |
| | | | | | | | D.C. Forecast Period | | | Post D.C. Forecast Period | | | Other Reserve/ Reserve Fund Draws | Current Year Tax Supported Operating Fund Contributions | Current Year Rate Supported Operating Fund Contributions | Debt Financing | Grants, Subsidies Other Contributions |
| | | | | | | | Current Year D.C. Reserve Fund Draw | Internally Borrowed Funds | D.C. Debt Financing | Grants, Subsidies Other Contributions | Post-Period Benefit/ Capacity Interim Financing | Grants, Subsidies Other Contributions | | | | | |
| Services Related to a Highway (Transportation) | | | | | | | | | | | | | | | | | |
| Roads | | | | | | | | | | | | | | | | | |
| Rail Crossing at Dungey Lane/Vivian (01-3000-8960) | 1 | 2025+ | 14,622.83 | - | | 14,622.83 | | 14,622.83 | | | | | | | | | |
| Bridges and Culverts | | | | | | | | | | | | | | | | | |
| Downtown Crossing at St. Andrews (controlled crossing for traffic lights) = PXO Crossing (01-3000-8410) | 2 | 2025+ | 2,557.03 | | | 2,557.03 | | | | | | 2,557.03 | funded through parking meter reserve | | | | |
| Sub-Total - Services Related to Highways | | | 17,179.86 | - | - | 17,179.86 | - | 14,622.83 | - | - | - | - | 2,557.03 | - | - | - | - |
| Parks and Recreation Services | | | | | | | | | | | | | | | | | |
| Vehicles and Equipment | | | | | | | | | | | | | | | | | |
| Tractor (2023 NH Workmaster 35HP) | 3 | 2024 | 34,079.42 | | | 34,079.42 | 34,079.42 | | | | | | | | | | |
| Sub-Total - Parks & Recreation Services | | | 34,079.42 | - | - | 34,079.42 | 34,079.42 | 0.00 | 0.00 | 0.00 | - | - | - | - | - | - | - |
| Library Services | | | | | | | | | | | | | | | | | |
| Indoor Water Fountain/ Bottle - asset was DONATED | 4 | 2025 | 4,500.00 | | | 4,500.00 | - | | | | | | | | | | 4,500.00 |
| Provision for additional collection items | 5 | 2025 | 33,567.94 | | | 33,567.94 | 24,628.85 | | | | | | 8,939.09 | | | | |
| Sub-Total - Library Services | | | 38,067.94 | - | - | 38,067.94 | 24,628.85 | - | - | - | - | - | 8,939.09 | - | - | - | 4,500.00 |
| Growth-Related Studies | | | | | | | | | | | | | | | | | |
| Community Improvement Plan (01-8100-3145) | 6 | 2025 | 2,938.32 | | | 2,938.32 | | 2,203.74 | | | | | | 734.58 | | | |
| Water Rate Study (01-4100-3204) | 7 | 2024/2025 | 15,356.90 | | | 15,356.90 | | 1,323.76 | | | | | 14,033.14 | | | | |
| Sub-Total - Growth-Related Studies | | | 18,295.22 | - | - | 18,295.22 | - | 3,527.50 | - | - | - | - | 14,767.72 | - | - | - | - |
| Stormwater Drainage and Control Services | | | | | | | | | | | | | | | | | |
| Wellington St. Reconstruction (Georgina to Frank) (435lm) - storm pipe (01-4300-8910) | 8 | 2025 | 230,461.33 | | | 230,461.33 | | 230,461.33 | | | | | | | | | |
| Sub-Total - Stormwater Drainage&Control Services | | | 230,461.33 | - | - | 230,461.33 | - | 230,461.33 | - | - | - | - | - | - | - | - | - |
| TOTALS | | | | | | | \$ 58,708.27 | \$ 248,611.66 | | | | | | | | | |
| | | | | | | | total CY draws | total CY new debt | | | | | | | | | |

NOTES

- ¹ 2025 costs for Rail Crossing at Dungey Lane/Vivian have been paid for through levy/ general. Development charges owe this back to the general - added under D.C. borrowed funds/ outstanding commitments below as not enough funds in transportation service category.
- ² PXO Crossing has been budgeted to be majority funded by Parking Meter Reserve. 8.39% of PXO Crossing costs are DC eligible, however 2025 DC eligible costs were only \$214.53 - insignificant. : funded 2025 costs 100% through parking meter reserve. Expect some DC costs in 2026.
- ³ Tractor was purchased in 2024 but missed on 2024 Treasurer's Statement / transfer of DC funds. Recognized DC funding in 2025.
- ⁴ Water fountain was donated therefore did not apply any DC funding.
- ⁵ Only claimed DC funding up to amount that was in library service category. Total additional collection costs were more - funded difference through levy.
- ⁶ 2025 costs for CIP study have been paid for through levy/ general. Development charges owe this back to the general - added under DC borrowed funds/ outstanding commitments below as not enough funds in studies service category.
- ⁷ Water rate study started in 2024 (costs of \$3,373.34), but missed on 2024 Treasurer's Statement/ transfer of DC funds. Recognized total of 2024/2025 costs on 2025 report. Amount added under DC borrowed funds/ outstanding commitments below as not enough funds in studies service category.
- ⁸ 2025 costs for Wellington St stormwater have been paid for through levy/ general. Development charges owe this back to the general - added under DC borrowed funds/ outstanding commitments below as not enough funds in stormwater service category.

Appendix 3
Municipality of West Perth
2025 Treasurer's Statement of Development Charges Reserve Funds

| Development Charges Borrowed Funds/ Outstanding Commitments | | | | | | | | | |
|--|--------------------------------------|---|--|--|--|--|---------------------|--|---|
| D.C. Borrowed Funds | | | | | | | | | |
| Capital Project | Jan. 1, 2025 Borrowing Balance | D.C. Expenses Cash Flowed in Current Year | Source - Committed Reserve to Repay (Trsr fund repayment to reserve to reimburse for PY costs) | | | | Accrued Interest | Repayment in Current Year from Collected D.C.s | Dec. 31, 2025 Borrowing Balance (total D.C.s to be Collected for Project) |
| Growth-Related Studies | | | | | | | | | |
| Recreation, Parks, and Trails Master Plan | 66,834.33 | | Parkand Fees Oblig Def Rev Reserve Fund 01- 9321-0580 | | | | - | (18,923.46) | 47,910.87 |
| Community Improvement Plan (01-8100-3145) | - | 2,203.74 | Costs fell through levy :. repay to 01-8100-1998 | | | | - | 0.00 | 2,203.74 |
| Water Rate Study | - | 1,323.76 | Costs fell through water user fees : repay to Water reserve 01-9104- 0710 | | | | - | 0.00 | 1,323.76 |
| Sub-Total - Services Related to a Highway (Transportation) | 66,834.33 | 3,527.50 | | | | | - | (18,923.46) | 51,438.37 |
| Services Related to a Highway (Transportation) | | | | | | | | | |
| Henry St. Bridge | 551,864.21 | | Bridge Reserve 01-1000- 0934 | | | | - | (167,525.24) | 384,338.97 |
| Rail Crossing at Dungey Lane/Vivian | - | 14,622.83 | Costs fell through levy :. repay to 01-3000-1998 | | | | - | 0.00 | 14,622.83 |
| Sub-Total - Services Related to a Highway (Transportation) | 551,864.21 | 14,622.83 | | | | | - | (167,525.24) | 398,961.80 |
| Stormwater Drainage and Control Services | | | | | | | | | |
| Storm Sewer Henry St: St. Andrew St to Arthur | 89,792.50 | | Wastewater Reserve Fund 01-9102-0710 | | | | | (25,484.34) | 64,308.16 |
| Wellington St. Reconstruction (Georgina to Frank) (435lm) - storm pipe (01-4300-8910) | - | 230,461.33 | Costs fell through levy :. repay to 01-4300-1998 | | | | | 0.00 | 230,461.33 |
| Sub-Total - Stormwater Drainage and Control Services | 89,792.50 | 230,461.33 | | | | | - | (25,484.34) | 294,769.49 |
| Fire Protection Services | | | | | | | | | |
| Firehall Expansion (New Firehall) | 515,375.08 | | Fire Dept Reserve 01- 1000-0920 | | | | | (39,255.79) | 476,119.29 |
| Tanker Truck - Tanker 93 (Citywide asset 4152) | 405,582.14 | | Fire Dept Reserve 01- 1000-0920 | | | | | 0.00 | 405,582.14 |
| Sub-Total - Fire Protection Services | 920,957.22 | 0.00 | | | | | - | (39,255.79) | 881,701.43 |
| Water Services | | | | | | | | | |
| Elevated Water Storage Tank (Water Tower) | 790,260.31 | | water reserve 01-9104- 0710 | | | | - | (205,863.77) | 584,396.54 |
| Trunk Watermain Napier St: Campbell Dr to Park Lane | 153,802.99 | | water reserve 01-9104- 0710 | | | | - | 0.00 | 153,802.99 |
| Sub-Total - Water Services | 944,063.30 | 0.00 | | | | | - | (205,863.77) | 738,199.53 |
| TOTALS | \$ 2,573,511.56 | \$ 248,611.66 | | | | | \$ - | \$ (457,052.60) | \$ 2,365,070.62 |

2025 net decrease in D.C. outstanding commitments \$ (208,440.94)