



Township of

# North Dundas

## COUNCIL REPORT

<b>To:</b>	CAO, Mayor and Members of Council
<b>From:</b>	John J Gareau, CA, AMCT, Treasurer
<b>Date of Meeting:</b>	May 8 <sup>th</sup> 2012
<b>Subject:</b>	Finance Department Report – April 30 <sup>th</sup> 2012

### Bank Balances:

Bank Balances, Apr 30 <sup>th</sup>	2012 Apr 30 <sup>th</sup>	Last Month Mar 31 <sup>st</sup>	2011 Apr 30 <sup>th</sup>
General Operating Acct	8,182,149.32	9,340,082.90	6,892,205.10
Cash, GIC's, (Reserve Fund)	6,103,475.63	6,095,367.03	6,083,710.50
<b>Total</b>	<b>\$14,285,624.95</b>	<b>\$15,435,449.93</b>	<b>\$12,975,915.60</b>

Taxes Receivable – Apr 30 <sup>th</sup>	2012	2011	2010
Current Year (2012)	984,729.63	905,708.58	921,947.21
One Year in Arrears (2011)	752,866.29	638,459.37	615,736.01
Two Years in Arrears (2010)	364,944.40	339,776.35	284,087.95
Three Years in Arrears (2009+)	147,180.71	141,693.87	123,015.49
Penalty & Interest	122,479.48	114,750.18	109,415.91
<b>Sub-Total</b>	<b>2,372,200.51</b>	<b>2,140,388.35</b>	<b>2,054,202.57</b>
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	(14,812.76)
<b>Net Taxes Receivable</b>	<b><u>\$2,357,387.75</u></b>	<b><u>\$2,125,575.59</u></b>	<b><u>2,039,389.81</u></b>
Net Taxes Receivable Excluding Current Year	<b><u>\$1,372,658.12</u></b>	<b><u>\$1,219,867.01</u></b>	<b><u>\$1,117,442.60</u></b>

Total Taxes Billed to Date:                      \$15,634,795.15                      \$14,514,604.92                      \$13,961,992.57

<b>Percentage Outstanding</b>	<b>8.780%</b>	<b>8.404%</b>	<b>8.003%</b>
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Net taxes receivable last month were \$2,921,402.02; this month's balance of \$2,357,387.75 represents cash collections in the amount of \$564,014.27 in April from our interim tax billings of March 30<sup>th</sup>.

## State of the Union

I had been hoping to provide council with a schedule of the final amounts owing to the counties and school boards for the 2011 fiscal year, but I did not have time to complete this task. I am hoping to have it done by the end of May so that we may get the final cheques out to the school boards by the last week of May. Those levying bodies are looking for the annual reconciliation of tax revenues plus supplementals less write-offs and of course, for their final payment.

Our cash position is still very good. Basically the increase in our cash position is a direct result of March being a "tax collection month." We mailed out interim tax bills totalling \$7,278,158.77 with a due date of March 30<sup>th</sup> – and we are still riding the crest of that cash flow wave. In addition we received our second quarter OMPF funding in the amount of \$239,675 on April 27<sup>th</sup>. We made our first regular payment to the school boards in the amount of \$876,578.68 (\$848,264.31 last year) - payment was due March 31<sup>st</sup> – and our first payment to the counties in the amount of \$1,607,302.02 which was due April 15<sup>th</sup> (\$1,480,190.50 last year) – so this cash inflow came in handy.

All of this is helping to stave off the need to borrow but in discussions with various managers, there are significant cash requirements looming on the near horizon. The Water & Sewer department alone is going to need about \$1Million within the next couple of months.

I have been in contact with Bob Keene of Infrastructure Ontario and he is still very desirous of lending us money and assisting us with getting our applications in line for our Infrastructure Funding. I informed him that currently we are not in a position to borrow but it is certainly comforting to know that the source of financing is out there. I thought we had an excellent, fruitful meeting with our auditors last week and am firmly convinced that some measure of debt (responsible debt) – is good. I also concur that putting a draft of our capital needs in place is a necessary first step and that we would then use this information to drive our financing decisions.

I think this would be a very interesting, professionally satisfying project to work on and I look forward to being part of it; however I do have some concerns over the workload involved and the time it will take to give this project the attention it deserves. I have made some initial inquiries of the auditors and they are certainly willing to assist us in our endeavours; I would certainly like to be able to avail ourselves of their expertise.

## Projects Worked on During April

Basically the month has been taken up with the following:

- Assisting in filing the Drain Maintenance Grant Application
- Preparing for and attendance at department head meeting of May 2<sup>nd</sup>
- Responding to tax queries

I had been hoping to get to the year-end binder in preparation for the auditors arrival on June 4<sup>th</sup> – unfortunately this didn't happen due to time constraints. We have been a little short-staffed in Treasury over the last couple of months; last year we had a Part-Time staff person (Gabi) from mid-December until the end of March; when Rosy left on medical leave in April, we brought Mary Wilson back in full-time until early June and she was of immense help in getting the year-end audit binder done.

We discussed this with the Mayor and CAO and we are formulating plans to free up some time from Michelle and Karen over the next month. This should enable us to handle our "normal, daily work load" – and deal with the preparation of the year end binder for the auditors. Michelle has stepped up admirably with very little training in the tax collector's role and we are going to get a summer student in Treasury hired just as soon as possible.

However it is also a tax billing month – we are hoping to have the tax bills printed off in late May for mailing in early June with a due date of June 30<sup>th</sup> – this dovetails in very nicely with the cash flow requirements for counties and school boards – but again it detracts from us getting the year-end binder ready for the auditors. Karen has offered to put in some overtime hours and in discussions with the CAO it looks like we are going to have to avail ourselves of this offer.

We are hoping to bring the taxing by-law re the setting of 2012 tax rates and establishing their due dates to the next council meeting on May 22nd.


**Miscellaneous Finance Issues**

- Investment Basics and Beyond – Smiths Falls, April 24<sup>th</sup> 2012
- Summer Student for Finance dept – ad placed with Carleton University, in our Recreation Guide, sent to Admin to be put on our website and with Job-Zone in Cornwall. The closing deadline was March 30<sup>th</sup> – we have received approximately 10 resumes; we are in the process of reviewing these resumes and hope to interview potential candidates within the next week.

Respectfully submitted,

  
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John J. Gareau

Approved by:

  
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Angela Rutley

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