



Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	July 10 th 2012
Subject:	Finance Department Report – June 30 th 2012

Bank Balances:

Bank Balances, June 30 th	2012 June 30 th	Last Month May 31 st	2011 June 30 th
General Operating Acct	11,191,629.84	9,016,106.71	9,448,836.86
Cash, GIC's, (Reserve Fund)	6,115,959.29	6,109,743.70	6,086,092.24
Total	\$17,307,589.13	\$15,125,850.41	\$15,534,929.10

Taxes Receivable – June 30 th	2012	2011	2010
Current Year (2012)	5,151,194.10	5,001,862.99	7,556,915.45
One Year in Arrears (2011)	668,623.77	565,338.46	537,516.87
Two Years in Arrears (2010)	344,695.74	320,590.52	250,102.36
Three Years in Arrears (2009+)	136,185.50	92,005.46	87,269.17
Penalty & Interest	137,130.59	113,953.35	108,226.59
Sub-Total	6,437,829.70	6,093,750.78	8,540,030.44
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	(14,812.76)
Net Taxes Receivable	<u>\$6,423,016.94</u>	<u>\$6,078,938.02</u>	<u>8,525,217.68</u>
Net Taxes Receivable Excluding Current Year	<u>\$1,271,822.84</u>	<u>\$1,077,075.03</u>	<u>\$968,302.23</u>
Percentage Outstanding, (Excluding current year)	<u>8.246</u>	<u>7.174</u>	<u>6.755</u>

Total Taxes Billed to Date: \$15,424,344.99 \$15,013,783.03 \$14,334,799.09

Percentage Outstanding-Gross	41.642%	40.489%	59.472%
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Net taxes receivable last month were \$2,041,989.64; this month's balance of \$6,423,016.94 represents the net impact of billing our final tax instalment and cash collections in the amount of \$3,681,744.36. This estimate was

arrived at as follows: we sent out our final tax bills on June 5th – with due dates of June 30th and September 30th respectively – so the first instalment of our two instalment final billing has come due. Our total FINAL billing was **\$8,077,584.42** – with approximately 50% due on each due date; this would mean approximately **\$4,038,792.21** was due June 30th; given that we had a balance on May 31st of \$2,041,989.64 – and the entire billing (both instalments) shows up in the outstanding receivable account, that would equate to a total receivable of \$10,119,574.06; since the total overall balance of outstanding taxes receivable is \$6,437,829.70 – that would mean approximately \$3,681,744.36 was collected in the month of June. This has generated considerable cash flow to the municipality– and this accounts for our very healthy cash balances at month end.

Last year's final tax bills (2011) also went out (at the end of May) with due dates of June and September, but the 2010 billings were sent out in June with due dates of July 23rd and October 22nd - we are therefore, on par with last year and a month ahead of the 2010 fiscal year – and this is actually preferable in my opinion; the June and September due dates dovetail in very nicely with our financial commitments to the Counties and school boards. This was also the first full year with Michelle at the helm of the role of tax collector, and she is doing a very admirable job.

As a way of making the balances in taxes receivable more comparable year over year, I removed the current year amounts from the totals for all three years. This gives us Net Taxes Receivable this year of **\$1,271,822.84**; last year (2011), **\$1,077,075.03** and **\$968,302.23** for the same period in 2010. This is a much better barometer in comparing the level of taxes year over year and indicates that the 2010, 2011 and 2012 taxes are all on par with each other. I also showed the Gross percentages receivable which ignore these timing differences. On a percentage basis, the 2010 outstanding taxes are “the best” as far as percentage outstanding over the total levy – but the differences are very minor. Over the last three years, they are virtually identical.

State of the Union

Our cash position is still very strong as evidenced from the cash balances reported on page 1. In addition to our “normal” bills, our second instalment of the school board levies was due the end of June in the amount of \$848,264.32 – this amount has been taken into account in arriving at our month end cash position.

Along with our aforementioned school board levy that was due the end of June, our second instalment to the Counties is due July 13th in the amount of approximately \$1,754,317.10 – this amount has not been deducted out of the total cash reported – so we will have some heavy demands on our cash flow over the next 3 months. The total of just these two commitments is approximately \$2.6M plus there will obviously be other cash flow requirements associated with operating and capital expenditures.

We have not had to borrow any funds from Infrastructure Ontario yet; given our current workload and the fact that we are not in a pressing financial situation right now, this project has been put on the back burners until such time as we finalize our year-end audit or there is an urgent requirement to borrow funds.

Year End Audit – 2011

The auditors were scheduled to be here for the week of July 9th; I have asked them to postpone this for one more week so they have now been rescheduled for the week of July 16th. With the workload and new people at key positions, it has taken us considerably longer than I had originally anticipated getting as ready for them as I would like to be. The year-end binder is coming along nicely now and although the auditors were here the week of June 7th last year to work on the yearend audit for 2010, and did complete most of their audit of the sections that were done – they were not able to work on completing the reserves and reserve funds as these sections had not been completed. They came back the week of August 1st and the FIR wasn't presented to council until November. The good news this year is even though they are getting here later to do their audit- the reserves and reserve funds will be completely done and ready for them. I still have some other sections of the file to work on-most notably the amounts due to the Counties and school boards- but I am hopeful of having a more complete file for them when they do arrive this year.

Properties Eligible for Tax Sale, Appendix #1

We had four properties (Attached as **Appendix # 1**) that were eligible for tax sale. The four individuals on this list have until July 26th to pay the amounts in full (or enter into a tax extension agreement with the municipality); failing that their properties will be listed for tax sale. We are very happy to report that Ratepayer # 1 was in last week, paid off his entire balance (\$15,357.94) that represented the cancellation price, and came back in on Friday to pay off his June 30th instalment on his 2012 taxes!!! Very good news indeed.

Projects Worked on During June

Basically the month has been taken up with the following:


- Preparing for and attending at department head meetings of June 6th and July 4th.
- Meeting with Department Heads with regards to capital expenditures and their financing from reserves re: finalization of the 2011 year-end file for the auditors.
- Meetings and phone calls with delinquent taxpayers (See Appendix # 1 re payment)
- Preparing schedules and back up wpprs for the 2011 yearend audit
- Meeting with representatives from BMO/Bank of Montreal (Portfolio Services Group) to discuss investment/financing strategies

Respectfully submitted,



John J Gareau

Approved by:



Angela Rutley

PROPERTY TO BE REGISTERED FOR SALE 2012

Roll #	Taxes owing July 26/12	
011-004-13000		Paid o/s balance and June 30 installment
011-009-21000	\$ 5,249.48	Legal fees of 2104.23 added as client was going to pay
016-010-51000	\$ 2,902.83	
019-003-22000	\$ 9,697.69	