

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>	Sept 11 <sup>th</sup> 2012
<b>Subject:</b>	Finance Department Report – Aug 31 <sup>st</sup> 2012

### Bank Balances:

Bank Balances, Aug 31 <sup>st</sup>	2012 Aug 31 <sup>st</sup>	Last Month July 31 <sup>st</sup>	2011 Aug 31 <sup>st</sup>
General Operating Acct	9,156,291.15	9,673,761.14	8,158,202.92
Cash, GIC's, (Reserve Fund)	6,128,601.21	6,122,173.64	6,055,204.60
<b>Total</b>	<b>\$15,284,892.36</b>	<b>\$15,795,934.78</b>	<b>\$14,213,407.52</b>

Taxes Receivable – Aug 31 <sup>st</sup>	2012	2011	2010
Current Year (2012)	4,288,429.77	4,296,251.79	3,936,695.41
One Year in Arrears (2011)	564,233.55	527,565.79	486,989.57
Two Years in Arrears (2010)	323,063.71	292,836.27	222,764.43
Three Years in Arrears (2009+)	133,743.01	81,150.00	79,379.83
Penalty & Interest	146,794.12	128,574.76	120,994.53
<b>Sub-Total</b>	<b>5,456,264.16</b>	<b>5,326,378.61</b>	<b>4,846,823.77</b>
Allowance for Uncollectible Taxes	(169,059.80)	(14,812.76)	(14,812.76)
<b>Net Taxes Receivable</b>	<b><u>\$5,287,204.36</u></b>	<b><u>\$5,311,565.85</u></b>	<b><u>4,832,011.01</u></b>
<b>Total Taxes Billed to Date:</b>	<b><u>15,465,097.04</u></b>	<b><u>\$15,250,647.21</u></b>	<b><u>\$14,371,679.42</u></b>

<b>Percentage O/S Over Levy</b>	<b>34.187%</b>	<b>34.828%</b>	<b>33.621%</b>
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Net taxes receivable last month were \$5,767,529.00; this month's balance of \$5,287,204.36 represents cash collections during the month of August of approximately \$480,324.64. The final instalment of our 2012 taxes is due September 30<sup>th</sup> – so this should be a good cash flow month as well. In terms of billing and collecting, we are on par with last year and a month ahead of 2010 when the final instalment was due October 31<sup>st</sup>.

The percentage of taxes outstanding indicates that 2012 taxes are slightly better than 2011 and not quite as good as 2010; the balance outstanding this year is actually less than last year (by approximately \$24,361.49 as at August 31<sup>st</sup> 2012) and we have also billed \$214,449.83 more this year compared to last year. On a percentage basis, the 2012 outstanding taxes are almost identical across all three years.

### **State of the Union**

Our cash position is still very strong as evidenced by the cash balances reported on page 1. However, our third instalment of the school board levy is due the end of September in the amount of \$848,264. In addition, our final instalment to the Counties is due October 15<sup>th</sup> in the amount of approximately \$3,366,034. The total of just these two commitments is approximately \$4.2M plus there will obviously be other cash flow requirements as well. It is therefore very fortuitous that another tax instalment is coming due at month end.

### **Financial Information Return (FIR) – 2011**

As mentioned in last month's report, the auditors were here for about 6 days – spread over a two-week period; they were here for 3 days the week of July 16<sup>th</sup> and another three the following week – July 23<sup>rd</sup>, 24<sup>th</sup> and 25<sup>th</sup>. I have been working on the FIR since their departure - and it is still not yet finished. I was also away on vacation from August 10<sup>th</sup> to 17<sup>th</sup> and in addition, the day-to-day work has kept us very busy; I am hopeful of completing the FIR by the middle of September and getting this information to the auditors by September 19<sup>th</sup>. They can then prepare the audited financial statements from the FIR schedules.

### **Auditors Presentation of DRAFT Financial Statements**

We were hoping to have the auditors present at the September 25<sup>th</sup> meeting to present the DRAFT financial statements for December 31<sup>st</sup> 2011. Unfortunately, this was all predicated on our getting the FIR completed – which may not be done in time to allow them the necessary lead time they require to then compile the financial statements – especially since the September 25<sup>th</sup> meeting has now been re-scheduled to September 18<sup>th</sup>. I would like to reschedule that meeting with the auditors for either the October 16<sup>th</sup> or 30<sup>th</sup> meeting – whichever is more suitable to council.

At that time we will review the 2011 financial picture with highlights on:

- The Capital Expenditures for the 2011 fiscal year.
- Unfinanced capital projects existing as at December 31<sup>st</sup> 2011
- Balances in Reserves and Reserve Funds as at December 31<sup>st</sup> 2011.

I have been working on the FIR as much as possible over the last two weeks; it is not yet finished but it is very close.

### **Properties Eligible for Tax Sale**

We had four properties as reported in previous Finance Reports that were eligible for tax sale. The four individuals on this list had until July 26<sup>th</sup> to pay the amounts in full (or enter into a tax extension agreement with the municipality); failing that their properties would be listed for tax sale. There is only one ratepayer remaining who has not paid in full or entered into a Tax Extension Agreement. We have been in contact with her and she has paid \$11,000 since June of this year and her current balance outstanding is only \$406.62. However, there is also an unpaid legal bill to add to that outstanding balance which will bring the total obligation that must be satisfied to \$2,402.93. We have a verbal from her that she will clear this balance by the end of September; we are monitoring the situation and as mentioned, the property is eligible for tax sale and will remain that way until the amount is paid in full. We will keep council apprised of the progress or lack of same with regards to this account.

### Properties Eligible for Tax Registration

In addition to the properties eligible for tax sale above, there are about 50 properties pertaining to the 2012 fiscal year that have taxes that either are 3 years in arrears or will be by January 1<sup>st</sup> 2013. The tax collector has prepared and mailed out a FINAL NOTICE to this group. These letters went out August 16<sup>th</sup> by Registered Mail advising the ratepayers that they have until September 26<sup>th</sup> to make arrangements or we would be proceeding to Tax Registration of their properties. Since that time, several have paid or made contact with the tax collector and we are hopeful that this list will be greatly pared down by the end of September.

### Miscellaneous Issues

In consultation with the CAO's office, I have registered to attend the following seminars being offered by MFOA and/or the Counties:

#### **September 6<sup>th</sup> 2012:**

- SD&G Treasurers' Association-  
Meeting at Counties Building to discuss an MPAC representative and a telephone meeting regarding a Vadim Webinar.

#### **October 2nd 2012:**

- MFOA Fall 2012 Seminars-Kingston  
How to Develop a Municipal Asset Management Plan
  - October 2<sup>nd</sup>  
This one day seminar is available in Kingston on October 2<sup>nd</sup> and contains detailed information on the components of an Asset Management Plan; given that Carly is currently working as our PSAB coordinator and has expressed an interest to attend this seminar, we will both be attending. In addition, I am hoping to move toward a Vadim Capital Asset Management Plan in the future. Her involvement at the ground level would be invaluable and would provide ongoing benefits for many years to come.

#### **October 31st 2012:**

- Reserves and Reserve Funds
  - MFOA Fall 2012 Seminar

#### **November 1st 2012:**

- Long Term Financial Planning
  - MFOA Fall 2012 Seminar

### Allocation of 2011 Surplus, Reserves and Reserve Funds Appendix # 2

Following the August 14<sup>th</sup> council meeting, the 2011 year-end overall surplus of \$409,808.32 was allocated in accordance with council's resolution as per attached **Appendix # 2**; I have broken the surplus down by department for council's consideration. The finance department transferred the surplus to appropriate reserves as per council directive and this is depicted in attached **Appendix # 1** "Reserves and Reserve Fund Balances December 31<sup>st</sup> 2011".

Basically, the surplus was a result of the following:

Additional assessment – growth – raised Addn'l taxation revenues of	\$218,713
Additional interest income and miscellaneous revenues (net)	31,000
Recycling and Household Hazardous Waste (Other Municipalities)	91,053
Fire Training – all departments	61,289
Miscellaneous- other departments	<u>7,753</u>
Total Overall Surplus	<u>\$409,808</u>

**Correspondence from MPAC:**

I received an email on Wednesday, September 5<sup>th</sup> that MPAC will be completing its second province-wide Assessment Update under the four-year cycle introduced by the Government of Ontario in 2008. The 2012 Current Value Assessments (CVA) will reflect a January 1, 2012 valuation date and will be in place for the 2013 to 2016 property taxation years.

Assessment notices will be mailed out as follows:

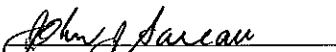
- **Residential and Farms:** delivered to Canada Post on October 5<sup>th</sup> and to property owners the week of October 9<sup>th</sup>.
- **Business Properties:** delivered to Canada Post on November 16<sup>th</sup> and to property owners the week of December 3<sup>rd</sup>.

**Projects Worked on During August**


Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of August 8<sup>th</sup> and September 5<sup>th</sup>.
- Preparing schedules and back up wpprs for the 2011 year-end audit file.
- Amendment to and Finalization of Reserves and Reserve Funds working papers for the y/end audit file – re allocation of 2011 surplus from August council meeting.
- Meetings and phone calls with delinquent taxpayers
- Preparing schedules and back up wpprs for FIR – 2011
- Telephone calls/month end balancing in absence of tax collector

Respectfully submitted,

  
John J. Gareau

Approved by:

  
Angela Rutley