

Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	Nov 13 th 2012
Subject:	Finance Department Report – Oct 31 st 2012

Bank Balances:

Bank Balances, Oct 31 st	2012 Oct 31 st	Last Month Sept 30 th	2011 Oct 31 st
General Operating Acct	7,270,587.23	6,227,190.99	6,254,470.11
Cash, GIC's, (Reserve Fund)	6,143,322.30	6,137,087.10	6,066,452.41
Total	\$13,413,909.53	\$12,364,278.09	\$12,320,922.52

Taxes Receivable – Oct 31 st	2012	2011	2010
Current Year (2012)	1,090,465.45	1,215,020.30	1,371,901.56
One Year in Arrears (2011)	443,462.76	488,361.37	444,955.45
Two Years in Arrears (2010)	290,750.83	266,574.40	207,432.18
Three Years in Arrears (2009+)	106,861.89	68,959.58	78,004.86
Penalty & Interest	143,031.52	140,662.67	138,274.13
Sub-Total	2,074,572.45	2,179,578.32	2,240,568.18
Allowance for Uncollectible Taxes	(169,059.80)	(169,059.80)	(169,059.80)
Net Taxes Receivable	<u>\$1,905,512.65</u>	<u>\$2,010,518.52</u>	<u>2,071,508.38</u>
Total Taxes Billed to Date:	<u>\$15,487,251.96</u>	<u>\$15,281,557.65</u>	<u>\$14,514,604.92</u>

Percentage O/S Over Levy	12.304%	13.156%	14.272%
--------------------------	---------	---------	---------

Net taxes receivable last month were \$2,641,526.84; this month's balance of \$1,905,512.65 represents cash collections during the month of October of approximately \$736,014.19. The final instalment on our 2012 taxes was due September 30th – so this is pretty much our cash balances that we will have to rely on through to the end of the year.

I have presented three years for comparison purposes for council's information and you will note that we are very consistent across the range. The only change in presentation from previous months is that I have changed the allowance for doubtful accounts across all three years to be the same; previously it was much lower for 2011 and 2010. In fact, the accounts that are potentially doubtful extend across the three year range – and this makes the results much more comparable year over year.

The good news is that even with the updated presentation, the current year is the best in the range. The percentage of taxes outstanding for 2012 taxes is 12.304% compared to 13.156% for 2011 and 14.272% for 2010.

State of the Union

Our cash position is still very strong as evidenced by the cash balances reported on page 1. We made our third instalment to the school boards that was due the end of September in the amount of \$848,264. In addition, we also made our final instalment to the Counties that was due October 15th in the amount of \$3,366,034.13. We have the final 4th quarter instalment due to the School Boards on December 15th – this amount will be the same as our 3rd instalment of \$848,264. In addition, there will a **final, final** payment in January 2013 to remit to the Counties and school boards their share of the net supplementary taxes less write-offs for the 2012 fiscal year.

Supplementary Billings

We received a “supplementary assessment” run for Supplemental and Omitted Assessments up to July 3rd 2012. Michelle got these billed just as I was completing this report and we got the numbers into Vadim. This will produce total billings of \$259,758.87 – unfortunately almost 65% of this revenue will go to the counties and school boards – leaving approximately \$91,220.13 for the Township. These billings went out on Wednesday with due dates of November 30th and January 31st. Attached as Appendix 1 for council's information.

Financial Information Return (FIR) – 2011

The FIR was filed with the Ministry on Friday, September 28th – as well as the MPMP reports – so our reporting requirements for 2011 have been fulfilled.

Financial Statements (audited)

Following the auditors presentation of the DRAFT 2011 Financial Statements on October 30th and council's adoption of them - we have since received the final, signed copies of the audited financial statements from KPMG. Copies of the 2011 audited financial statements will be made available to council at the meeting.

Funding – Asset Management Program:

The Ontario Ministry of Infrastructure, through the Municipal Infrastructure Investment Initiative (MIII) has funding available to undertake a study for an asset management plan. We filed an Expression of Interest by the filing deadline date of October 22nd with the Ministry of Infrastructure; I have received confirmation back from the Ministry that they received our application in time and we are “in the queue” – and hopefully that will translate to actual dollars being received by the Township for funding under the Asset Management Program.

Properties Eligible for Tax Sale

We had four properties as reported in previous Finance Reports that were eligible for tax sale. At last month's reporting, there was only one ratepayer who is behind in his payments on his Tax Extension Agreement. We have been in contact with him via telephone this past week and we are working to resolve this situation.

Miscellaneous Issues

I attended the following MFOA seminars that were offered in Kingston this past week:

October 31st 2012:

Reserves and Reserve Funds - MFOA Fall 2012 Seminar

November 1st 2012:

Long Term Financial Planning - MFOA Fall 2012 Seminar

These were excellent seminars and will be very beneficial to the finance department on a go-forward basis.

Projects Worked on During October

Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of October 10th and November 7th.
- Finalizing information for the auditors re the 2011 year-end audited financial statements.
- Meetings and phone calls with delinquent taxpayers
- Preparing schedules and back up wpprs for MPMP-2011
- Filing MPMP reports with Ministry of Municipal Affairs
- Working on DRAFT budgets for the 2013 fiscal year.


Budget Meetings

Budget meetings were held with department heads and everyone is working diligently on getting their first draft budget information ready for council.


Interim Audit – 2012

We received a tentative “interim audit” date from KPMG of December 10 – 11th; this is for the 2012 year-end audit and I realize we are hoping to have an early audit done this year in order to get the financial statement on a much more timely basis. To this end, we have prepared a resolution of council appointing KPMG as our auditors for the 2012 fiscal year.

Respectfully submitted,


John J. Gareau

Approved by:


Angela Rutley