



Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	Dec 18 th 2012
Subject:	Finance Department Report – Nov 30 th 2012

Bank Balances:

Bank Balances, Nov 30 th	2012 Nov 30 th	Last Month Oct 31 st	2011 Nov 30 th
General Operating Acct	6,810,632.23	7,270,587.23	6,273,442.81
Cash, GIC's, (Reserve Fund)	6,149,103.35	6,143,322.30	6,070,736.64
Total	\$12,959,735.58	\$13,413,909.53	\$12,344,179.45

	Nov 30 2012	Nov 30 2011	Nov 30 2010
Taxes Receivable Outstanding			
Current Year (2012)	1,060,178.23	1,138,448.65	1,009,005.43
One Year in Arrears (2011)	432,676.90	464,380.43	425,566.32
Two Years in Arrears (2010)	277,105.98	238,867.07	190,427.61
Three Years in Arrears (2009+)	93,887.93	65,019.51	77,835.06
Penalty & Interest	150,250.22	141,583.44	146,919.30
Sub-Total	2,014,099.26	2,048,299.10	1,849,753.72
Allowance for Uncollectible Taxes	(169,059.80)	(169,059.80)	(169,059.80)
Net Taxes Receivable	<u>\$1,845,039.46</u>	<u>\$1,879,239.30</u>	<u>1,680,693.92</u>
Total Taxes Billed to Date:	<u>\$15,892,826.37</u>	<u>\$15,594,540.64</u>	<u>\$14,553,801.63</u>

Percentage O/S Over Levy	11.609%	12.051%	11.548%
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Net taxes receivable last month were \$1,909,512.65; this month's balance of \$1,845,039.46 represents net cash collections during the month of November of approximately \$64,473.19. The final instalment for the school boards in the amount of approximately \$848,264 is due December 15th; this payment has not been deducted from the above bank balances (which are shown as of November 30th) – so our cash balances will take a hit this month.

The use of the term “net cash collections” is a bit misleading because we did bill supplementary taxes this month in the amount of \$359,541.61 (see appendix 1 attached); they were split into two instalments with due dates of November 30th and February 28th. Therefore cash collections are actually much better than just the difference between the opening and closing balances would indicate - due to the fact the opening balance was increased by \$359,541.61 in new billings during the month. This would equate to cash collections during the month of approximately \$420,014.80 – and helps to explain our healthy cash position at month end.

The good news is that even with the supplemental billings, the current year’s outstanding taxes is still quite good; the percentage of taxes outstanding for 2012 taxes is 11.609% compared to 12.051% for 2011 and 11.548% for 2010.

Taxes receivable also include other charges that have added to the tax roll. Once added, these charges ‘lose their identity’ and are ‘collected in the same manner as taxes’ – therefore they add to the balance of outstanding taxes receivable.

State of the Union

Our cash position is still very good as evidenced by the cash balances reported on page 1. We will make our fourth instalment to the school boards by the middle of December in the amount of \$819,072.45. We have already made our final instalment to the Counties that was due October 15th in the amount of \$3,366,034.13. In addition, there will a **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 three “supplementary assessment” runs for Supplemental and Omitted Assessments; one up to July 3rd 2012; another for October 17th and a further supplementary assessment up to November 7th 2012. Michelle got these billed and entered into Vadim this month – with due dates of November 30th and February 28th. The good news is they will result in additional cash flow for us – the bad news is they are impacting on our taxes receivable balances and account for part of the reason why our outstanding balances have increased slightly as a percentage. We billed total supplementals in November of \$359,541.61 - unfortunately almost 65% of this revenue will go to the counties and school boards – leaving approximately \$125,518.95 for the Township. The first of these billings went out in November with due dates of November 30th and January 31st. The two smaller ones went out in late November with due dates of December 15th and February 15th.

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 and have received confirmation back from the Ministry that we were successful in our application - we will be receiving \$22,689.30 relating to the AMP.

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 was behind in his payments on his Tax Extension Agreement. We have been in contact with him via telephone and he has been sent a Registered Letter this past week informing him he has until January 31st 2013 to bring his arrears up to date or his property will be registered for Tax Sale.

HMT Revenue Group:

We have been approached by HMT Revenue Group to allow a member of their staff to conduct an audit of 'commodity taxes' paid – basically this is PST/GST and Employer Health Tax to discover if we are eligible to receive refunds for any overpayment and/or rebates. There is no 'direct fee' for this service – they (HMT) work on a recovery basis and share in any refunds on a basis of 60% to the township and 40% to HMT. The rules and regulations relating to commodity taxes are fairly specialized and cumbersome and outside the area of expertise of the Treasury department, I think it would be financially beneficial to retain the services of HMT in this endeavour. They also offer a training seminar at the conclusion of their services which would be beneficial to treasury staff on an ongoing basis –and alert us to areas of potential savings.

Budget Amendment – Public Works Dept

There are two budget amendments attached as Appendices 1 and 2. These are 'housekeeping issues' dealing with projects approved by council at previous meetings that simply need formalization in the accounts and this is normally accomplished via a budget amendment.

Projects Worked on During November

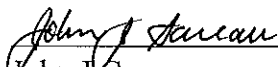
Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of November 7th and December 6th.
- Preparing for interim audit for week of December 10th 2012.
- Working on DRAFT budgets for the 2013 fiscal year.

Interim Audit – 2012

KPMG was in this week - December 10 – 11th to conduct their 2012 Interim audit. We are hoping to have an earlier year-end audit done this year in order to get the financial statement on a timelier basis. We have discussed this tentatively with Vicki and will firm up year end dates once the auditors finish their interim next week.

Respectfully submitted,



John J. Gareau

Approved by:



Angela Rutley