



Township of

North Dundas

COUNCIL REPORT	
To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	November 8 th 2011
Subject:	Finance Department Report – October 31 st 2011

Bank Balances:

Bank Balances, Oct 31 st	2011 Oct 31 st	Last Month Sept 30 th	2010 Oct 31 st
General Operating Acct	6,254,470.11	9,295,334.56	3,564,452.91
Cash, GIC's, (Reserve Fund)	6,066,452.41	6,060,422.83	7,496,125.59
Total	\$12,320,922.52	\$15,355,757.39	\$11,060,578.50

Taxes Receivable – Oct 31st

	2011	2010	2009
Current Year (2011)	1,215,020.30	1,371,901.56	1,026,569.37
One Year in Arrears (2010)	488,361.37	444,955.45	408,690.65
Two Years in Arrears (2009)	266,574.40	207,432.18	259,081.84
Three Years in Arrears (2008+)	68,959.58	78,004.86	52,605.24
Penalty & Interest	140,662.67	138,274.13	137,659.22
Sub-Total	2,179,578.32	2,240,568.18	1,884,606.32
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	(14,812.76)
Net Taxes Receivable	<u>\$2,164,765.56</u>	<u>\$2,225,755.42</u>	<u>1,869,793.56</u>
Total Taxes Billed to Date	<u>\$15,281,557.65</u>	<u>\$14,514,604.92</u>	<u>\$13,844,191.17</u>

Taxes receivable outstanding as a percentage of total taxes billed for the previous year:

Percentage Outstanding	14.166%	15.335%	13.506%
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Net taxes receivable last month were \$2,776,093.23; this month's balance of \$2,164,765.56 represents cash collections during the month of October in the amount of \$ 611,327.67. The final instalment on our

2011 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.

The percentage of taxes outstanding for all three years is very consistent – 2009 was our “best” year of the three years shown as far as percentage of taxes outstanding vs. the amount of tax levy – but the difference is very minor – 13.506% compared to 14.166% for this year. On a pure dollar-basis, this year’s outstanding taxes are \$60,989.86 less than last year at this time – virtually the same number given the magnitude of taxes.

Consistent with last month, I have shown three comparative years (as opposed to two). Some years we have due dates of June and September (2009 and 2011) and other years we have due dates of July and October – this helps council get a clearer picture of outstanding taxes year over year when the data is presented on a more comparative basis.

State of the Union

Our current cash position is still quite good. We have paid the school boards \$876,578.82 in September and the final instalment to the counties (due date October 15th) in the amount of \$3,219,011.04 (both these amounts are out of our bank account now). 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 \$876,578.82. In addition, there will a **final, final** payment in January 2012 to remit to the Counties and school boards their share of the net supplementary taxes less write-offs for the 2011 fiscal year.

We also received our final “supplementary taxes” run from MPAC just this week and Michelle is busy putting all these numbers into Vadim. This task has not been completed yet so I don’t know how many tax dollars will be raised, but by the time we pay the counties and school boards their share of these supplemental taxes, there will not be a lot left for North Dundas’ coffers.

We have still not had to borrow any funds from Infrastructure Ontario.

Projects Worked on During October

Financial Information Return (FIR) and Financial Statements

I am still working on the final draft of the FIR and related financial data for MMAH. I have received three phone calls and several emails from MMAH requesting this information – they have now sent out an email to all municipalities who have not yet filed their FIR – and have given us until November 14th to get it completed and into their offices.

In addition, we still have the **MPMP reports** to complete.

Financial Statements (audited)

Following the auditors presentation of the DRAFT 2010 Financial Statements on October 18th - we have since received the final, signed copies of the audited financial statements from KPMG. Copies of the 2010 audited financial statements will be made available to council at the meeting.

Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of October 5th and November 2nd.
- SD&G Treasurers’ Ass’n meeting at Counties – Wednesday, September 28th

- Preparation of capital expenditures and their financing from reserves re: finalization of the 2010 year-end file for the auditors – PSAB.
- Finalization of reserve and reserve fund working papers for the y/end audit file.
- Telephone calls/month end balancing in absence of tax collector.
- Preparing schedules and back up wpprs for FIR – 2010.
- MFOA – Municipal Finance 101 – 2 Day Seminar – October 26th and 27th – Kingston Ontario

Education/Seminars

I have attended and will be attending the following PD Seminars offered in Kingston in October and November:

1. **MFOA – Municipal Finance 101** – 2 Day Seminar – October 26th and 27th – Kingston Ontario
2. **MFOA- Municipal Budgets 201**: 1 Day Seminar – November 7th - Kingston, ON

In addition, I had requested that Michelle McDonell be allowed to attend the **MFOA Assessment & Taxation 201: 1 Day Seminar** – October 25th in Kingston, Ontario since she is working in this area. She was very appreciative that council granted their permission but she felt that with the on-line course she is currently taking in taxation/assessment – it would be a duplication of effort and information – hence she declined the offer – and saved the township the costs of attending this seminar/workshop. I would like to keep this offer open should she find there is some value in attending next year.

Properties Eligible for Tax Sale as at December 31 2011: Appendix # 1

Attached as Appendix # 1 is a listing of the 9 individual ratepayers who were sent over to Ault & Ault for Tax Registration. These amounts have all been registered at the Registry Office and if payment is not received in full within 284 days from date of registration – their properties will become eligible for tax sale and we would obviously hope to recoup any unpaid taxes from the proceeds of that sale.

Details are shown in Appendix # 1, but we have had some activity on them. Since last report, Ratepayer # 7 (who had made a large payment last month (in excess of \$10k) - sent in the remaining balance outstanding in the amount of \$3,832.93. The total outstanding when the listing was first delivered to Ault & Ault was \$58,449.08; as of November 1st it is down to \$36,691.19 – a net improvement of \$21,757.89 and an improvement over last month of \$3,467.06. This includes the September 2011 final instalment and interest in this outstanding balance as well as utility bills in arrears or any other items that may have been added on during the month of October.

Properties Eligible for Tax Registration – October 31st 2011 – Appendix # 2

This information is presented to council as follow-up. It is a continuation of the original listing of approximately 48 ratepayers with taxes 3 or more years in arrears and it is from this document that the current listing of Tax Registration Properties (depicted as Appendix # 1 above) was prepared. Its real purpose is just to show council where Appendix #1 came from and where we have come from and where we are in regards to this initial listing.

As at October 31st our tax registration listing for 2011 is at a dollar amount of **\$23,932.61** (\$249,017.50 overall) representing the original 48 roll numbers (last month, September 30th it was at a dollar amount of **\$31,331.15**, or \$267,813.98 in total). Two items of interest relating to this schedule are ratepayers # 32 and # 33. Their accounts were cleared to zero on October 31st – that's the kind of Halloween pranks that we enjoy!! As depicted in the schedule, there was a total of \$29,540.53 received from this group in the month of October.

Budget Amendment – Fire Department

I received a request from a member of Council regarding the Fire department for a budget amendment to the 2011 budget. There is approximately \$5,000 of Fire Prevention/Training that was not spent in 2011 relating to courses in Markham and other locations that firefighters couldn't get to due to time constraints relating to their regular "day jobs". They would like to transfer this unused amount to a reserve for the 2012 budget so they may attend the training seminars next year.

Tax Registration Proceedings

I have attached "samples" of two letters the tax department proposes sending to start the tax registration proceedings for the 2012 year. We propose sending out the first one by mid-November alerting ratepayers who have balances three years in arrears that they must pay by January 31st 2012. See the proposed changes in the bottom right hand section of the letter:

- deadline for payments is January 31st 2012;
- registered letter to go out February 1st 2012
- final deadline for payment – April 30th 2012
- Send properties for Registration – May 1st 2012.

The second letter (headed FINAL NOTICE OF TAX REGISTRATION) - is the one we propose sending on February 1st 2012 (instead of May 1st as per last year).

Respectfully submitted,



John J. Gareau

Approved by:

Howard F Smith
Encl.