



Township of

North Dundas

COUNCIL REPORT	
To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	October 11 th 2011
Subject:	Finance Department Report – September 30 th 2011

Bank Balances:

Bank Balances, Sept 30 th	2011 Sept 30 th	Last Month Aug 31 st	2010 Sept 30 th
General Operating Acct	9,295,334.56	8,158,202.92	4,223,727.86
Cash, GIC's, (Reserve Fund)	6,060,422.83	6,055,204.60	7,473,625.42
Total	\$15,355,757.39	\$14,213,407.52	\$11,697,353.28

Taxes Receivable – Sept 30th

	2011	2010	2009
Current Year (2011)	1,796,181.12	3,786,456.72	1,457,146.17
One Year in Arrears (2010)	505,312.91	461,340.48	423,731.66
Two Years in Arrears (2009)	282,097.81	215,876.03	265,290.77
Three Years in Arrears (2008+)	77,576.73	78,314.40	55,317.55
Penalty & Interest	129,737.42	127,712.82	127,580.42
Sub-Total	2,790,905.99	4,669,700.45	2,329,066.57
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	(14,812.76)
Net Taxes Receivable	<u>\$2,776,093.23</u>	<u>\$4,654,887.69</u>	<u>2,314,253.81</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	18.166%	32.070%	16.716%
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Net taxes receivable last month were \$5,311,565.85; this month's balance of \$2,776,093.23 represents cash collections in the month of September in the amount of \$2,535,472.62. The final instalment on our

2011 taxes was due September 30th – so this was an excellent month for cash flow. We are a month ahead of last year in terms of billing and collecting; conversely last year we had a one month lag compared to the 2009 fiscal year (when we billed in May with due dates of June and September) – this is very evident in the volume of taxes outstanding this year compared to last year. I have changed the format re the presentation of tax information on page 1 to show 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 – as indicated below. This helps council get a clearer picture of outstanding taxes year over year when the data is presented on a more comparative basis.

The percentage of taxes outstanding indicates that 2011 taxes are on par with 2009 – while the balance outstanding for the 2010 year is more comparable with the 2008 results. This year's outstanding taxes are \$1,878,794.46 less than last year at this time – again due to the one month gain in timing of the billing over the previous year.

A comparison of due dates for the previous three years is shown below:

2011 Fiscal Year:	2010 Fiscal Year	2009 Fiscal Year
Instalment # 1: June 30 th	Instalment # 1: July 23 rd	June 26 th
Instalment # 2: September 30 th	Instalment # 2: October 22 nd	September 25 th

State of the Union

Our current cash position is still very good as evidenced by the cash balances reported on page 1. We have also paid the school boards \$876,578.82 in September (this amount is out of the bank balance shown) and I have attached a copy of the final instalment due to the counties (due date October 15th) in the amount of \$3,219,011.04 (this amount is not out of our bank yet). The total of these two commitments alone is approximately \$4.1M plus there were obviously other cash flow requirements as well.

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

Projects Worked on During September

Financial Information Return (FIR) and Financial Statements

I just sent a rough draft of the FIR and related financial data to the auditors via email on Tuesday night (October 4th). They are working on finalizing the audited financial statements for 2010 and would like to present them to council once completed.

They are tentatively scheduled to make this presentation at the council meeting of October 18th.

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

Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of September 7th and October 5th.
- 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.

Education/Seminars

I would like to attend the following PD Seminars being offered in Kingston in October and November:

1. **MFOA Assessment & Taxation 201: 1 Day Seminar** – October 25th Kingston, Ontario - cost is \$265/\$395 plus accommodations.
2. **MFOA – Municipal Finance 101 – 2 Day Seminar** – October 26th and 27th – Kingston Ontario - cost is \$525 plus accommodations.
3. **MFOA- Municipal Budgets 201: 1 Day Seminar** – November 7th - Kingston, ON – cost is \$265 plus accommodations.

I also think it would be a good idea if Michelle McDonell attended the Assessment and taxation seminar since she is working in this area (and has been for several months now).

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. Ratepayers number 2, 3, 5 and 6 have paid off their outstanding balance – save for the legal fees owing for ratepayer # 2. He came in the office on Wednesday, October 5th and when he inquired as to the amount of taxes outstanding, he was given the amount on the screen – and he gave us a cheque for that amount (\$10,215.82). We neglected to inform him of the legal fees to consider. We are following up on this at the time of this report.

Ratepayer # 7 made a large payment last month (in excess of \$10k) - but still owes about \$3,832.93 – hopefully this will get resolved before any tax sale needs to take place. The total outstanding when the listing was first delivered to Ault & Ault was \$58,449.08; as of October 1st it is down to \$40,158.25 – a net improvement of \$18,290.83. 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 September.

Properties Eligible for Tax Registration – September 30th 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 September 30th our tax registration listing for 2011 is at a dollar amount of **\$31,331.15** (\$267,813.98 overall) representing the original 48 roll numbers (last month, August 31st it was at a dollar amount of **\$35,329.34**, \$266,054.33 in total). One item of interest relating to this schedule is ratepayer # 32 called and came into the office to meet with Michelle and me. His last two cheques had bounced and he wanted to basically inform us that he was mortgaging his home and would have the entire balance paid off in a few weeks. That was about two weeks ago so we are going to contact him this week to see if his intentions are still the same.

Auditors Presentation of DRAFT Financial Statements

The auditors are scheduled to be here next week (October 18th) – at which point we plan to have a finance meeting (either before or after the auditors' presentation). At that time we will review the 2010 financial picture with highlights on:

- The Capital Expenditures for the 2010 fiscal year.
- Unfinanced capital projects existing as at December 31st 2010.
- Balances in Reserves and Reserve Funds as at December 31st 2010.

Respectfully submitted,



John J Gareau

Approved by:

Howard F Smith
Encl.