

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>	September 13 <sup>th</sup> 2011
<b>Subject:</b>	Finance Department Report – Aug 31 <sup>st</sup> 2011

### Bank Balances:

Bank Balances, Aug 31 <sup>st</sup>	2011 Aug 31 <sup>st</sup>	Last Month July 31 <sup>st</sup>	2010 Aug 31 <sup>st</sup>
General Operating Acct	8,158,202.92	8,165,107.36	6,183,166.69
Cash, GIC's, (Reserve Fund)	6,055,204.60	6,050,934.09	7,454,715.15
<b>Total</b>	<b>\$14,213,407.52</b>	<b>\$14,216,041.45</b>	<b>\$13,637,881.84</b>

### Taxes Receivable – Aug 31<sup>st</sup>

	2011	2010	Difference
Current Year (2011)	4,296,251.79	3,936,695.41	359,556.38
One Year in Arrears (2010)	527,565.79	486,989.57	40,576.22
Two Years in Arrears (2009)	292,836.27	222,764.43	70,071.84
Three Years in Arrears (2008+)	81,150.00	79,379.83	1,770.17
Penalty & Interest	128,574.76	120,994.53	7,580.23
<b>Sub-Total</b>	<b>5,326,378.61</b>	<b>4,846,823.77</b>	<b>479,554.84</b>
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	---
<b>Net Taxes Receivable</b>	<b><u>\$5,311,565.85</u></b>	<b><u>\$4,832,011.01</u></b>	<b><u>479,554.84</u></b>
Total Taxes Billed to Date	<u>\$15,250,647.21</u>	<u>\$14,371,679.42</u>	<u>\$878,967.79</u>

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

Percentage Outstanding	34.828%	33.622%	1.206%
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Net taxes receivable last month were \$5,718,092.06; this month's balance of \$5,311,565.85 represents cash collections in the month of August in the amount of \$406,526.21. The final instalment on our 2011

taxes is due September 30<sup>th</sup> – so this should be a good cash flow month as well. We are a month ahead of last year in terms of timing as depicted below and this is having a positive influence on our cash position.

The percentage of taxes outstanding indicates that 2011 taxes are on par with 2010 – while the balance outstanding this year is \$479,554.84 greater than August 31<sup>st</sup> 2010 – we have also billed \$878,967.79 more in 2011 than we did in 2010. On a percentage basis, the 2011 outstanding taxes are only up from last year by 3.58%.

A comparison of due dates between the two years is shown below:

<b>2011 Fiscal Year:</b>	<b>2010 Fiscal Year</b>
<b>Instalment # 1: June 30<sup>th</sup></b>	<b>Instalment # 1: July 23<sup>rd</sup></b>
<b>Instalment # 2: September 30<sup>th</sup></b>	<b>Instalment # 2: October 22<sup>nd</sup></b>

### State of the Union

Our current 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 Oct 15<sup>th</sup> in the amount of approximately \$3,214,604.04. The total of just these two commitments alone is approximately \$4M plus there will obviously be other cash flow requirements as well. So it is good that another tax instalment is coming due at month end.

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

### Projects Worked on During August

Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of September 7<sup>th</sup>.
- 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.
- Meetings and phone calls with delinquent taxpayers
- Preparing schedules and back up wpprs for FIR – 2010
- Telephone calls/month end balancing in absence of tax collector

### 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 would become eligible for tax sale and we would obviously hope to recoup any unpaid taxes from the proceeds of that sale.

See Appendix # 1 for details, but we have had considerable activity on about half of them. Ratepayers number 3 and 5 have since paid off their outstanding balance in full and # 6 has paid off most of his balance – he intends to clear the unpaid balance this week. Ratepayer # 7 has made a large payment (in excess of \$10k) - but still owes about \$3,260.59 – 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 September 1<sup>st</sup> it is down to \$46,505.12 – a net improvement of \$11,943.96 – including

the fact that the August and September 2011 interest is included 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 August.

### **Properties Eligible for Tax Registration – August 31<sup>st</sup> 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 in Appendix # 1) was prepared. It is really anecdotal in nature and its real purpose is just to show council where we came from and where we are in regards to this initial listing.

As at August 31<sup>st</sup> our tax registration listing for 2011 is at a dollar amount of **\$35,329.34** (\$266,054.33 overall) representing the original 48 roll numbers (last month, July 31<sup>st</sup> it was at a dollar amount of **\$53,932.11**, (\$291,649.36 in total) – see **Appendix # 2** attached for a detailed breakdown. Most of the improvement has already been addressed in Appendix # 1 as all of the ratepayers who are in Appendix # 1 are automatically included in Appendix # 2.

### **Year End Audit – 2010**

The auditors were here for a couple of days the first week of August (August 2<sup>nd</sup> and 3<sup>rd</sup>) – to complete their audit of the reserves, reserve funds and capital fund. I worked on the FIR prior to their arrival – and since their departure - and it is still not yet finished. I was also away on vacation the week of August 8<sup>th</sup> to 12<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 20<sup>th</sup> meeting to present the DRAFT financial statements for December 31<sup>st</sup> 2010. Unfortunately, they have prior commitments and cannot make this date – which is just as well since it gives me more time to complete the FIR.

We have rescheduled the September meeting with the auditors to October 18<sup>th</sup> – 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 31<sup>st</sup> 2010.
- Balances in Reserves and Reserve Funds as at December 31<sup>st</sup> 2010.

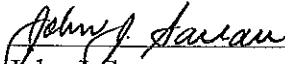
We will be asking council for their input as to where they would like to allocate the 2010 y/end surplus (which is currently pegged at \$272,397.31 barring any unforeseen changes by the auditors – which is highly unlikely at this late stage). Currently the surplus has been transferred to General Working Funds Reserve just to enable us to complete the financial statements. Council may have other opinions/considerations/wishes as to the final resting place for this amount (i.e., should it be allocated to each department that helped to contribute to it; should it be used to finance some of the balances remaining in the Unfinanced Capital Projects;) – and this is what we will be discussing.

It promises to be riveting so get a good night's sleep beforehand!!

In-Camera

An Identifiable Individual - Taxpayers' Concerns

Respectfully submitted,

  
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John J. Gareau

Approved by:

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Howard F Smith  
Encl.