



Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	John J Gareau, CA, AMCT, Treasurer
Date of Meeting:	Jan 15 th 2013
Subject:	Finance Department Report – Dec 31 st 2012

Bank Balances:

Bank Balances, Dec 31 st	2012 Dec 31 st	Last Month Nov 30 th	2011 Dec 31 st
General Operating Acct	5,561,634.75	6,810,632.23	5,204,038.63
Cash, GIC's, (Reserve Fund)	6,155,758.20	6,149,103.35	6,078,729.91
Total	\$11,717,392.95	\$12,959,735.58	\$11,282,768.54

	Dec 31 2012	Dec 31 2011	Dec 31 2010
Taxes Receivable Outstanding			
Current Year (2012)	916,492.28	1,057,405.82	954,033.53
One Year in Arrears (2011)	385,307.54	445,201.67	389,695.18
Two Years in Arrears (2010)	219,087.20	214,724.88	111,771.17
Three Years in Arrears (2009+)	93,381.85	63,916.96	73,866.35
Penalty & Interest	135,651.58	132,526.62	108,302.27
Sub-Total	1,749,920.45	1,913,775.95	1,637,668.50
Allowance for Uncollectible Taxes	(169,059.80)	(169,059.80)	(169,059.80)
Net Taxes Receivable	<u>\$1,580,860.65</u>	<u>\$1,744,716.15</u>	<u>1,468,608.70</u>
Total Taxes Billed to Date:	<u>\$15,911,901.42</u>	<u>\$15,638,033.36</u>	<u>\$14,590,558.79</u>

Percentage O/S Over Levy	9.935%	11.157%	10.065%
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	2012	2011	2010	2009	2008	2007	2006	2005	2004
Percentage Outstanding:	9.9%	11.2 %	10.1%	12.0%	10.8%	9.2%	8.6%	7.4%	7.6%

Net taxes receivable last month were **\$1,845,039.46**; this month's balance of **\$1,580,860.65** represents net cash collections during the month of December of approximately **\$264,178.81**.

On a positive note - and hopefully an indication of a trend reversal - we have gone under double digits for the first time since 2007! Council will note that the 2012 tax arrears expressed as a percentage of the annual levy represents our 'best' results across the three years shown and in fact are the best we've seen since 2007. The percentage of taxes outstanding for all three years is very consistent – and the differences are very minor – 11.157% in 2011 compared to 9.935% for this year (2012).

Even on a pure dollar-basis, the amount of taxes receivable outstanding is less than last year (approximately \$163,855.50 less in terms of absolute dollars). This becomes even more meaningful keeping in mind that we billed considerably more dollars in 2012 compared to 2011. As noted above our total taxation (for municipal, county and school boards) is approximately \$273,868.06 more than last year. The Ministry of Municipal Affairs & Housing (MMAH) likes to see this percentage down around 10% or less at year end – so it is very gratifying to see that we are there. I believe a lot of this success is due to the efforts of Michelle, our tax collector.

The total taxes billed to date also include all supplemental taxes billed up to our year end of December 31st – for council's information, we have billed \$359,541.61 in supplemental taxes to date – of this amount, approximately \$125,518.95 was for municipal purposes and the balance was billed on behalf of the counties and school boards. Much of this was for new residential construction. A summary is attached as Appendix # 1.

I had planned to double check the final supplemental billings and write-offs for the year during the past week but unfortunately we had to prepare our Expression of Interest for the MIII Grant – with a deadline date of January 9th – so this took precedence and I was not able to complete the checking of the supplementals and write-offs. I am hoping to have this done by the end of next week (January 18th) so we can get the final cheques out to the counties and school boards by the end of January.

We are also in the process of reviewing taxes receivable at December 31st 2012 to determine if any old outstanding amounts are eligible for Tax Registration in 2013 - those amounts that are three years in arrears at January 1st 2013 are eligible for tax registration. This means we can legally enter into a Tax Extension Agreement with the current owners or register their properties for tax sale to effect collection of outstanding amounts. We will hopefully have this listing to council for the first meeting in February.

State of the Union

Our finances are in good shape. We are still paying our bills with our own money; we made the final 'regular' payments to the counties and school boards in mid-December, leaving only the "final" final payment that gives effect to the counties and school boards share of any supplemental billings to which they may be entitled less their appropriate share of any tax write-offs for the 2012 fiscal year.

I will provide council with a schedule of the final amounts owing to the counties and school boards at our next meeting.

Borrowing By-Laws (# 04-13 and 05-13)

We require a resolution of council to approve the attached borrowing by-law; this is necessary in order to satisfy the bank's requirements regarding our borrowing capabilities. Although I do not anticipate having to incur any bank borrowings for the ensuing year, it is always better to be prepared. The bank requires that council sign a new borrowing by-law each year.

Two by-laws have been prepared for council's consideration – one for BMO and one for the Royal Bank.

Budget Amendment - DRAFT 2013

One page summary of revised budget numbers – see attached. Have also enclosed a few different scenarios showing budget if:

- Levy as it stood at last council meeting – December 18th 2012; Levy \$5, 264,388
- COLA of 1% Plus Growth of 0.78%; Levy as it stands today – using “proposed” cuts/savings of \$91,329 – levy of \$5,213,929
- Use 2012 tax rates applied against 2013 assessment
- Use 2012 levy plus a 1% COLA increase only

Projects Worked on During December

Basically the month has been taken up with the following:

- Preparing for and attending at department head meetings of December 13th and January 9th.
- Expression of Interest – MIII Grant – due January 9th 2013.
- Working on DRAFT budgets for the 2013 fiscal year.
- Calculation of Final Amount due to Counties re Supps and Write-offs

Year-End Audit – 2012

Received an email message from Vicki Leaky, Manager at KPMG this week – have scheduled the week of March 11 2013 to conduct their 2012 year-end 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.

Respectfully submitted,



Originally signed by John J Gareau

Approved by:



Original signed by Angela Rutley