



Village of Rycroft
Request for Decision
Council Meeting Date: September 25, 2023

TOPIC: Approval to Write Off Outstanding Amounts on Uncollectable Tax, Utility and Accounts Receivable accounts.

ADMINISTRATION RECOMMENDATION: That Council directs Administration to write off the outstanding balance of \$43,862 for Tax Rolls 465.000 to 472.000 (5100 & 5310–54 Avenue, 5116,5122,5101,5111 & 5121–53 Street and 5330–53 Avenue); \$58,438 on Tax Roll 500.000 (4202–50 Avenue); \$249.55 on Tax Roll 240.000 (4631-55 Street); \$120.66 on Utility Account 282006 (4619–47 Street); \$400 on multiple A/R Accounts (Tax Certificates); \$675 on A/R Account 218 (registration fees); and \$ 450.83 on A/R Account 238 (sign replacement) for a total of \$103,521.04.

BACKGROUND: It is a good accounting practice to write off uncollectable accounts to ensure the municipal accounting records are kept clean and accurate. An “uncollectable” account means that the chance of collecting on the account are near nil. For example, it could come from an abandoned tax sale property that was left to the Village to clean up; a situation where the billing was lost in the transfer of property from one owner to another; an administrative practice error where bills went to a non property owner who has left the area.

TAX ROLL NUMBER	YEAR SOLD	EXPLANATION OF EVENTS - TAX ACCOUNTS	TOTAL AMOUNT
465.000 to 472.000 (8 Lots)	2023	The Village sold these properties in 2023 with outstanding balances of \$52,157 (uncollected taxes and property maintenance charges) in total for all 8 lots. After realtor expenses and lawyer fees, \$8,300 was credited to the accounts leaving \$43,862 remaining outstanding in total for all 8 lots.	\$43,862
500.000	2023	The Village sold this property 2023 with an outstanding balance of \$82,488 (uncollected taxes and property maintenance charges). After realtor expenses and lawyer fees, \$24,050 was credited to the account leaving \$58,438 remaining outstanding.	\$58,438
240.000	2023	The property sold in July 2023. Mowing charges of \$120 and an administration fee of \$50 and were applied to the account as well as the August 1 penalty for \$79.55 after the Tax Certificate was requested on July 26, which showed an amount of \$3,350 outstanding on the account. Rigler Law paid the amount of the Tax Certificate on August 14 leaving the additional charges outstanding in the amount of \$249.55, lost in the timing transfer of the property.	\$249.55
ACCOUNT NUMBER	YEAR DEBT OCCURRED	EXPLANATION OF EVENTS – UTILITY ACCOUNTS	TOTAL AMOUNT
282006	2023	The Tax Certificate went out on August 22, 2023 showing an outstanding utility account balance of \$71.05 which was paid on September 7, 2023. The billing for August was sent on August 29 for \$106.78 and the Final bill for \$13.88 was sent September 6, leaving an outstanding amount of \$120.66 remaining on the closed account.	\$120.66

ACCOUNT NUMBER	YEAR DEBT OCCURRED	EXPLANATION OF EVENTS – ACCOUNTS RECEIVABLE	TOTAL AMOUNT
MULTIPLE	2020 - 2022	Multiple Accounts all regarding purchases of Tax Certificates. Accounting issues include duplicate charges while creating the certificates from input errors, and software glitches. Some of these amounts are paid, but input errors cannot be reversed, so they stay in the system. Administration (Tanis) has been working with these Vendors and for 2023, the Tax Certificate process is significantly cleaner than past years.	\$400.00
238	2021	Kaci Ireland (non resident) was invoiced on February 11, 2021, at the request of the RCMP, to recover costs related to replace a street address sign he had knocked down with his vehicle. The invoice included reimbursement of Public Works wages, use of the Backhoe and replacement costs for new signs and post in the amount of \$450.83.	\$450.83

Holding previous owners accountable and collecting the money owing would be difficult, with little chance of success.

IMPLICATION OF DECISION

FINANCIAL IMPLICATIONS: The Village will not receive \$103,521.04 cost recovery for services provided.

POLICY AND/OR LEGISLATIVE IMPLICATIONS: It is a good accounting policy to remove uncollectible debts and keep the financial records current.

ALTERNATIVE OPTIONS: No practical options

ATTACHMENTS: None

Lisa Shaykowski

Lisa Shaykowski, Finance Clerk

Date September 25, 2023

Peter Thomas

Peter Thomas, CAO