

Municipality of Chatham-Kent

Finance, Budget and Information Technology Services

Financial Services

Routine Approval

To: Mayor and Members of Council
From: Steven Brown, CPA, CMA
Director, Financial Services
Date: July 26, 2018
Re: Taxes and Assessment Adjusted to June 30, 2018

Because of rulings by the Assessment Review Board (ARB) and Rebate Programs implemented under Section 364 of the Municipal Act, tax and interest adjustments were charged as follows:

Municipal Taxes	\$ 685,711
School Boards	\$ 253,533
Interest	\$ 7,478
Total Adjustment	<u>\$ 946,722</u>

It should be noted that tax adjustments are not being written off as bad debts. They are being adjusted on account to reflect proper assessments for the reasons listed.

ARB adjustments are done under the Assessment Act and are binding on the Municipality. The Vacancy Program, previously administered by the Assessment Office, is now done by the Municipality. All aspects of this program are dictated by Provincial legislation.

The following summary shows only **the net Municipal tax impact** without interest or education amounts. Interest write-offs are netted against interest revenues.

	Actuals YTD	Budget Provision
Legislated Programs:		
357 / 358's	\$ 47,241	\$ 150,000
ARB/ PRAN/ ANA	\$ 803,199	\$ 1,150,000
Rebate Programs	\$ 329,794	\$ 600,000
Charities	\$ 157,922	\$ 193,535
Legions	\$ 19,167	\$ 38,288
Tax sale losses	\$ 0	\$ 200,000
Other tax losses	\$ 547	\$ 5,000
Capping tax shortfall	\$ 0	\$ 0
Subtotal	\$ 1,357,870	\$ 2,336,823
Council Programs:		
Municipal properties write-offs	\$ 29,812	\$ 64,272
Capping tax phase-in reductions	\$ 0	\$ 0
Financial Incentive Programs	\$ 0	\$ 0
Subtotal	\$ 29,812	\$ 64,272
Other:		
Other bad debts written-off	\$ 0	\$ 0
A/R invoice losses	\$ 0	\$ 5,000
Subtotal	\$ 0	\$ 5,000
Total	\$ 1,387,682	\$ 2,406,095

An allowance for doubtful accounts exists on the Municipality's balance sheet to provide against significant losses that the Municipality may be exposed to. Where actuals exceed budget, the allowance provision for tax adjustment may be reduced. There will be no effect on the 2018 budget.

Prepared by:

Reviewed by:

Steven Brown, CPA, CMA
Director, Financial Services

Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachment: None

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