

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

Routine Approval

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: August 25, 2020

Re: Taxes and Assessment Adjusted to July 31, 2020

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	\$ 308,715
School Boards	\$ 119,636
Interest	\$ 597
Total Adjustment	\$ 428,948

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	\$ 22,504	\$ 150,000
ARB/ PRAN/ ANA	\$ 1,134,709	\$ 1,350,000
Vacancy Rebate Programs	\$ 86,539	\$ 250,000
Charities	\$ 185,306	\$ 200,761
Legions	\$ -	\$ 39,718
Tax sale losses	\$ 245,240	\$ 300,000
Other tax losses	\$ -	\$ -
Capping tax shortfall	\$ -	\$ 75,000
Subtotal	\$ 1,674,298	\$ 2,365,479
Council Programs:		
Municipal properties write-offs	\$ 102,822	\$ 66,272
Capping tax phase-in reductions	\$ -	\$ -
Financial Incentive Programs	\$ -	\$ -
Subtotal	\$ 102,822	\$ 66,272
Other:		
Other bad debts written-off	\$ -	\$ -
A/R invoice losses	\$ -	\$ 8,000
Subtotal	\$ -	\$ 8,000
Total	\$ 1,777,120	\$ 2,439,751

An allowance for doubtful accounts exists on the Municipality's balance sheet to provide against significant losses to which the Municipality may be exposed. Where actuals exceed budget, the allowance provision for tax adjustments may be reduced. There will be no effect on the 2020 budget.

Prepared by:

Reviewed by:

 Matt Torrance, MBA, CPA, CGA
 Director, Financial Services

 Gord Quinton, MBA, CPA, CGA
 Chief Financial Officer, Treasurer

Attachments: None

P:\RTC\F&PS\Finance\2020\RA2004 - Taxes and Assessment Adjusted to July 31, 2020