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# ACCOUNTS RECEIVABLE STATUS REPORT

**The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, March 22, 2004, from the Commissioner of Finance:**

## 1. RECOMMENDATIONS

It is recommended that:

1. Regional Council receive for information accounts summarized in Attachment No. 1 which were approved for write-off by the Regional Treasurer in accordance with By-law No. A-0184(a)-2003-064.

2. Council receive for information the status of Accounts Receivable as at December 31, 2003 as reported in Attachment No. 2.

## 2. PURPOSE

The purpose of this report is to provide information to Regional Council regarding the write-off of uncollectible accounts and to report on the status of accounts receivable that are covered under the Region's Collection By-law as at December 31, 2003.

## 3. BACKGROUND

The Region's collection policy, as adopted through the enactment of By-law No. A-0184(a)-2003-064 requires that Regional Council approve the write-off of uncollectible accounts receivable in excess of $10,000. The policy also provides authority to the Regional Treasurer to approve accounts with a value of up to $10,000 for write-off where they have been deemed uncollectible or not cost effective to pursue. A summary of accounts written off in the fiscal year must be reported to Regional Council.

The Finance Department conducts collection of General Accounts Receivable accounts. The Finance Department also provides assistance to operating departments in collections of accounts for which they are responsible. In accordance with the Region's Council approved collection policy, the Region engages the services of an outside collection agency to further enhance the overall collection of accounts.

In addition, the policy requires that the Regional Treasurer report annually to Regional Council the status of outstanding accounts receivable as at the end of the fiscal year.

## 4. ANALYSIS AND OPTIONS

### 4.1 Accounts Approved for Write-off by Regional Treasurer

Accounts totalling $7,166 have been approved for write-off by the Treasurer in the categories of General Accounts Receivable and Police Services as summarized in Attachment No. 1.

### 4.2 Status of Accounts Receivable

In accordance with the Regional Collection Policy, a summary of the Region's Accounts Receivable status as at December 31, 2003 is provided in Attachment No. 2.

Of the $31.2 million in accounts receivable outstanding as of December 31, 2003, approximately $25.0 million has been paid to date in 2004. The "31 to 60 day" and "over 90 day" columns include amounts of $13,404,070 and $9,938,952 respectively, which relate to local municipal water and wastewater billings, of which $19,143,022 has been paid. The "Over 90 Day" column includes $4.2 million in disputed water/wastewater charges. The consulting firm of R.V. Anderson had been engaged by Transportation and Works to investigate the issue and mediate the allocation of charges. Upon completion of this review and investigation, staff anticipate that this matter will be resolved with the area municipalities.

The balance of the outstanding accounts is being dealt with in accordance with the Region's collection policy.

## 5. FINANCIAL IMPLICATIONS

The accounts receivable approved for write-off total $7,166. The full amount of the write-off will be provided in 2004 budgets of the departments originating the invoices.

## 6. LOCAL MUNICIPAL IMPACT

The Over 90 Day column includes $4.2 million in disputed water/wastewater charges. A consultant had been engaged by Transportation and Works to investigate the issue and mediate the allocation of charges. The impact, if any, on the affected municipalities has not been determined.

## 7. CONCLUSION

The write-offs approved by the Treasurer for 2004 totalled $7,166. No single account in excess of $10,000 required write-off.

The Senior Management Group has reviewed this report.

*(A copy of the attachments referred to in the foregoing has been forwarded to each Member of Council with the April 8, 2004 Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)*