
Subject: Request to Write-off Outstanding Amounts over \$25,000

Report to: Corporate Services Committee

Report date: Wednesday, December 4, 2024

Recommendations

1. That the write-off of uncollectible accounts receivable totalling \$76,327.43 **BE APPROVED.**

Key Facts

- The purpose of this report is to seek Council's authorization to write-off account balances for City of St. Catharines (\$43,157.00) and a Long-term Care facility resident (\$33,170.43).
- Write-offs in excess of \$25,000 require Regional Council approval as per C-F-001 Accounts Receivable policy.
- The City of St. Catharines arrears relates to a short payment against the 2021 invoices for the City's contribution to Canada Summer Games. The amount requires a write-off as it was identified as an error in the final reconciliation of the transition costs when the Region took over construction responsibility for Canada Games Park.
- The Long-term Care facility resident's accommodation fee account arrears accumulated prior to when the Office of the Public Guardian and Trustee (OPGT) began managing the resident's finances in August 2023. The resident passed away in March 2024 and OPGT has since advised there are no funds available in the estate to pay the outstanding amount.

Financial Considerations

The financial implications to the 2024 fiscal year-end related to these write-offs is \$16,461.29.

Discussions with City of St. Catharines staff were ongoing last year but in Region staff's estimation the amount looked likely to require a write off. As such, the arrears of \$43,157.00 was conservatively fully provisioned to the Region's allowance for doubtful

accounts in 2023 and recognized as a Regional operating expense at that time. There is no 2024 financial implication to writing off this amount.

The Long-term Care facility resident's arrears of \$33,170.43 was provided for in the Region's 2023 allowance for doubtful accounts in the amount of \$16,709.15, leaving a 2024 impact of \$16,461.29. This provision of approximately 50% was based on information provided at year end to Region staff by OPGT.

Should Council approve the recommendation to write-off these amounts, the unbudgeted portion will be included in the year-end surplus/deficit reconciliation that will occur with the closeout of the 2024 budget.

Analysis

This report is being brought forward in accordance with C-F-001 Accounts Receivable policy approved by Regional Council. This policy sets the following authorization levels for account write-offs:

- Write-offs not exceeding \$10,000 are authorized by the Manager Accounting Services;
- Write-offs exceeding \$10,000 and not exceeding \$25,000 are authorized by the Deputy Treasurer / Treasurer; and
- Write-offs exceeding \$25,000 require Council approval.

City of St. Catharines

Report CAO 10-2021 Canada Summer Games Park – Transition Performance was brought forward at the May 20, 2021 Special Council meeting. Appendix 1 of the report included a reconciliation of the transition budget for the transfer of construction of Canada Games Park from the 2021 Canada Games Host Society Inc (Host Society) to the Region. The reconciliation noted \$170,000 for basketball floor and gym equipment as part of funds provided to Host Society. However, it was subsequently identified that a portion of that amount should have more clearly been noted as coming from the City of St. Catharines and not the Region. Therefore, when in October 2021 the Region invoiced the City of St. Catharines for the final portion of their budgeted contribution of \$10,105,501 to the Canada Games Park, it included an amount for the basketball floor over and above their general contribution as noted in the report. The City had not budgeted for this amount separately and reduced their contribution by a corresponding amount. This leaves an arrears balance of \$43,157.00 that must now be written off.

Long-term Care Facility Resident

During the period of February 2022 to August 2023, this resident of one of the Region's Long-term Care facilities accumulated accommodation fee account arrears totalling \$33,170.43. In August 2023, the Office of the Public Guardian and Trustee (OPGT) began managing the resident's finances. The OPGT operates within the Victims and Vulnerable Persons Division of the Ministry of the Attorney General and delivers a range of services that safeguard the legal, personal, and financial interests of certain private individuals.

The mandate of OPGT covers charges at the time it takes over a file. As such, OPGT paid for all current and ongoing charges for this resident from August 2023 until the date when the resident passed away in March 2024. Collection efforts on the accumulated arrears made by accounts receivable and facility staff since 2022 were unsuccessful. In November 2023, OPGT advised the resident's home was in the process of sale, which is why only a partial allowance for doubtful accounts was set up at 2023 year end. However, OPGT has since identified that there is no opportunity to recover funds from the estate. As such, all collection efforts have been exhausted.

Alternatives Reviewed

Council may choose not to approve the account write-offs; however, as there are no further opportunities to pursue collection, there is no additional recourse. Unless the accounts are written off, the amounts will be perpetually reported as unpaid accounts greater than 120 days aged and greater than \$25,000 in the Region's published quarterly and annual reports.

Relationship to Council Strategic Priorities

This report was written to comply with financial policy C-F-001 Accounts Receivable and in alignment with Public Sector Accounting Standards (PSAS). There are no direct links between this report and Council Strategic Priorities.

Other Pertinent Reports

[CAO 10-2021 Appendix 1 Canada Summer Games Park Transition Budget](#)

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Appendices

None