



Township of North Algona Wilberforce  
COUNCIL / COMMITTEE REPORT

<b>Title:</b>  Taxes Receivable	<b>Date:</b>	April 21, 2020
	<b>Council/Committee:</b>	Council
	<b>Author:</b>	Daniel Burke
	<b>Department:</b>	Administration

**RECOMMENDATIONS:** This report is for information only.

**BACKGROUND:** At the April 7, 2020 council meeting the interest application on the interim tax billing was further amended from its original dates of 50% due March 31, 2020 and the remainder due May 29, 2020 to no interest if paid by August 31, 2020. In order to gauge the effect this will have on the Township the following points are provided:

	March 31, 2019 instalment	March 31, 2020 instalment
First instalment billing	\$1,340,000	\$1,367,000
Outstanding balance from first installment at March 31 <sup>st</sup>	\$(59,000)	\$119,000
Percentage outstanding	-4.4%	8.7%

- Due to the timing of the announcements, the number of people taking advantage of the interest free period for the second instalment may be greatly increased.
- Cash flow for the Township is behind \$179,000 from the 2019 reference period, however, at this point we do not expect a cash shortage issue. The biggest cash outflows for the Township are the payments to the other levels of governments for their portion of the property taxes. The school boards have already pushed back the remittance dates and we can expect a similar form of relief from the County. There is also uncertainty if our construction projects will have the same scope as originally planned, and therefore there may be a deferral of these cash outflows as well.
- In terms of lost revenue to the Township, at the current interest rates we can reasonably estimate the Township is forgoing not more than \$3,000 in bank interest had the payments been collected.

**ALTERNATIVES: NA**

**FINANCIAL IMPLICATIONS: NA**

**ATTACHMENTS: NA**

**CONSULTATIONS: NA**

**Author:** \_\_\_\_\_  
signature

**Other:** \_\_\_\_\_  
signature

**Treasurer** \_\_\_\_\_

**C.A.O.** \_\_\_\_\_