



**City of Lloydminster
Request for Decision (RFD)**

Subject Matter: 2024 Inactive Utility Accounts Deemed Uncollectible

Department: Corporate Services

Presented By: Linsay Organ

Council Meeting Date: December 16, 2024

Recommendation:

That Council approve an adjustment to bad debt expense for 56 utility accounts totaling \$9,177.25, as outlined in Schedule A, which lists inactive utility accounts deemed uncollectible.

Issue: Outstanding utility (water, wastewater, garbage, and stormwater) arrears have been deemed uncollectible after internal and external collection attempts. For this reason, an adjustment to bad debt expense is recommended to ensure the utility accounts receivable balance is not overstated on the City's statement of financial position for year-ending December 31, 2023.

Background: When a utility account is closed, a final bill is sent to the customer and the status of the account is set to inactive.

Utility arrears for inactive accounts can potentially be collected by transferring any outstanding balances to the related property tax account or an active utility account held by the same customer. However, not all accounts are eligible for these transfers.

Such accounts are contacted for payment by City employees (internal collections), if unsuccessful then they are sent to an external collection agency. The external collection agency only accepts account balances greater than \$50.

As of December 5th, the inactive utility arrears ineligible for transfers are \$9,177.25.

	Balance
In External Collections	\$8,832.92
Ineligible for External Collections	\$344.33
Total	\$9,177.25

The following table demonstrates the history of utility account revenue deemed uncollectible.

	Amount Deemed Uncollectible	Annual Utility Account Revenue	% Of Revenue Deemed Uncollectible
2020	\$7,694	\$18,921,511	0.041%
2021	\$5,313	\$22,789,248	0.023%
2022	\$7,313	\$21,267,425	0.034%
2023	\$1,704	\$22,792,465	0.007%
2024	\$9,177	\$23,734,402 (budget)	0.039%

Options:

1. That Council approve an adjustment to bad debt expense for 56 utility accounts totaling \$9,177.25, outlined in Schedule A attached to the agenda, which lists inactive utility accounts deemed uncollectible.
2. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

Alignment with Strategic Plan: This item is in alignment with the following strategic area: Delivering Good Governance.

Legal Review: N/A

Governance Implications: N/A

Budget/Financial Implications: The City will expense \$9,177.25 to bad debt expense in the 2024 year.

Environmental Implications: N/A



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Report Approval Details

Document Title:	2024 Inactive Utility Accounts Deemed Uncollectible.docx
Attachments:	- Schedule A - Nov 18 - Inactive Collections List.pdf
Final Approval Date:	Dec 6, 2024

This report and all of its attachments were approved and signed as outlined below:

Adele Wakaruk

Marilyn Lavoie

Dion Pollard