



GENERAL REVENUE

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General revenue services issues bills and invoices, and collects accounts receivable owed to the municipality by citizens, businesses and other agencies that do business with the municipality. The goal of general revenue services is to ensure the municipality collects owed revenue in a timely, accurate, and efficient manner in order to assist the municipality in exercising prudent fiscal management. Services include:

- Develop and maintain policies and procedures for billing and collection of City accounts receivable other than Provincial Offences, water billing and property taxes;
- Process of cash receipts, deposits and bill payments;
- Administer the collection of outstanding receivables and provision of bad debt allowance
- Processing billings and refunds; and
- Reconcile, analyze and report on accounts receivable data as required for internal and external needs.

The City of Toronto uses a decentralized billing and collection model. The results for Toronto reflected in this report excludes Police, Agencies, property tax and water billings, payments in lieu of taxes, Provincial Offences Act (POA) fines including parking, funding for social programs, and repayments for loans issued.

SUMMARY OF PERFORMANCE MEASUREMENT RESULTS

Question	Indicator/Measure	Internal Comparison of Toronto's 2017 vs. 2016 Results	External Comparison to Other Municipalities (MBNC) By Quartile for 2017	Chart & Page Ref.
How long does it take for the municipality to receive payment on invoices issued?	Average Collection Period for Accounts Receivable in Days - (Efficiency)	Decrease Number of days to receive payment on invoices issued decreased (Efficiency)	2 Lower number of days to receive payment on invoices issued compared to others (Efficiency)	11.1 11.2 pg. 4
How many of the invoices issued are never collected?	Bad Debt Write-off as a Percentage of Revenue Billed - (Efficiency)	Increase Level of uncollectable amounts increased (Efficiency)	2 Lower rate of uncollectable amounts compared to others (Efficiency)	11.3 11.4 pg. 5
How much does it cost to bill and collect an accounts receivable invoice?	Cost of the Accounts Receivable Function per Invoice Issued- (Efficiency)	Stable Cost per invoice was stable (Efficiency)	4 Higher cost per invoice compared to others (Efficiency)	11.5 11.6 pg. 6

SUMMARY OF OVERALL RESULTS

Internal Comparison of Toronto's 2017 vs. 2016 Results	Internal Comparison of Toronto's 2017 vs. 2016 Results	External Comparison to Other Municipalities (MBNC) By Quartile for 2017	External Comparison to Other Municipalities (MBNC) By Quartile for 2017
Service Level Indicators (Resources) N/A	Performance Measures (Results) <div style="background-color: #008000; color: white; padding: 2px;">1 - Favourable</div> <div style="background-color: #ffcc00; color: white; padding: 2px;">1 - Stable</div> <div style="background-color: #ff0000; color: white; padding: 2px;">1 - Unfavourable</div> 67% favourable or stable	Service Level Indicators (Resources) N/A	Performance Measures (Results) <div style="background-color: #008000; color: white; padding: 2px;">0 - 1st quartile</div> <div style="background-color: #90ee90; color: white; padding: 2px;">2 - 2nd quartile</div> <div style="background-color: #ffff00; color: white; padding: 2px;">0 - 3rd quartile</div> <div style="background-color: #ff0000; color: white; padding: 2px;">1 - 4th quartile</div> 67% in 1st and 2nd quartile

For an explanation of how to interpret this summary and the supporting charts, please see the Guide to Toronto's Performance Results. These quartile results are based on a maximum sample size of 15 municipalities.

EFFICIENCY

In 2017, Toronto issued 98,154 invoices with an invoice value of over \$1.3196 billion for functions such as issuing permits, sale of blue boxes and recycled materials, and construction work done on roads by utility companies. Once invoices are issued, it is important these amounts be collected on a timely basis to optimize the City's cash flow.

11.1 – HOW LONG DOES IT TAKE FOR TORONTO TO RECEIVE PAYMENT ON INVOICES ISSUED?

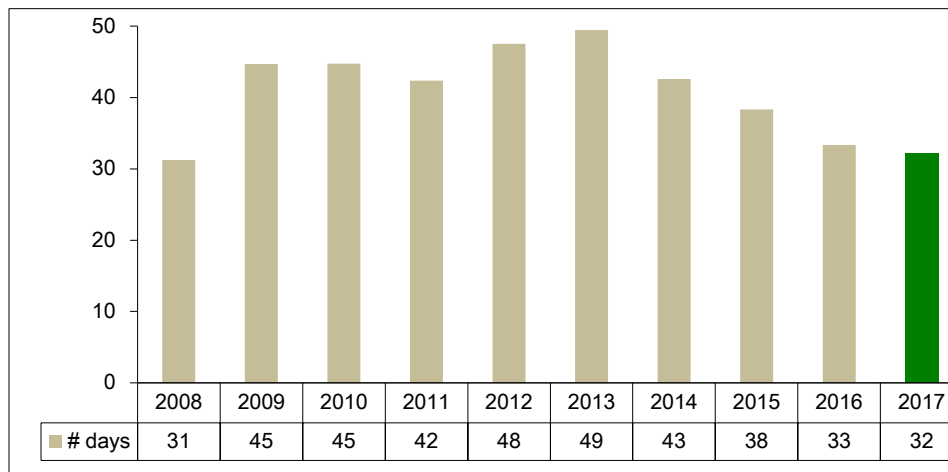


Chart 11.1 reflects Toronto's average collection period (in days) for these invoices from 2008 to 2017, with a slight decrease in 2017.

Chart 11.1 (City of Toronto) Average Collection Periods for Accounts Receivable Invoices in Days

11.2 – HOW DOES TORONTO COMPARE TO OTHER MUNICIPALITIES FOR THE LENGTH OF TIME TO RECEIVE PAYMENT ON INVOICES ISSUED?

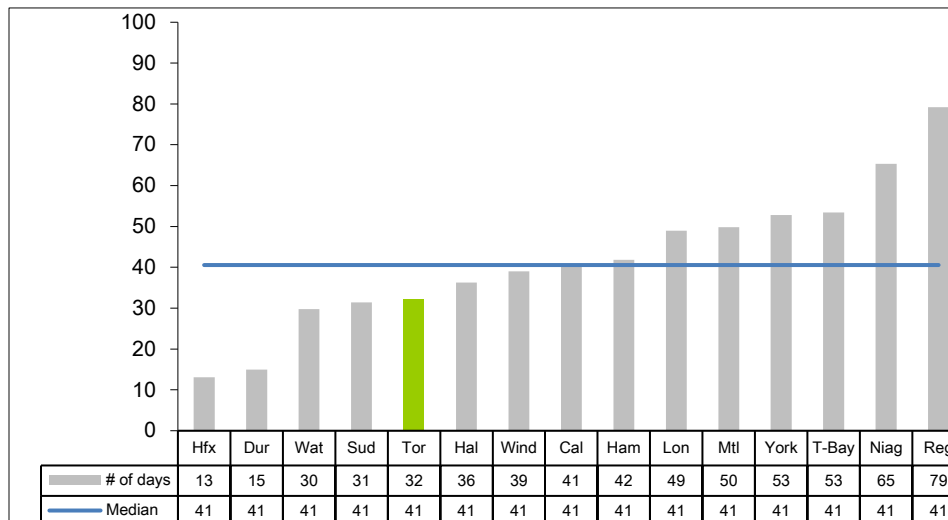


Chart 11.2 compares Toronto's 2017 average collection period for accounts receivable invoices to other municipalities.

Chart 11.2 (MBNC 2017) Average Collection Periods for Accounts Receivable Invoices in Days

Toronto ranks fifth of fifteen (second quartile) in terms of having the shortest collection period. To ensure receivables are collected, accounts in arrears are sent to collection agencies or Legal

Services. Amounts over \$1,000 requiring legal interpretation or legal action are forwarded to Legal Services otherwise the accounts are forwarded to collection agencies. Despite these efforts some invoices ultimately are deemed uncollectible and are written off.

11.3 –HOW MANY OF THE INVOICES ISSUED IN TORONTO ARE NEVER COLLECTED?

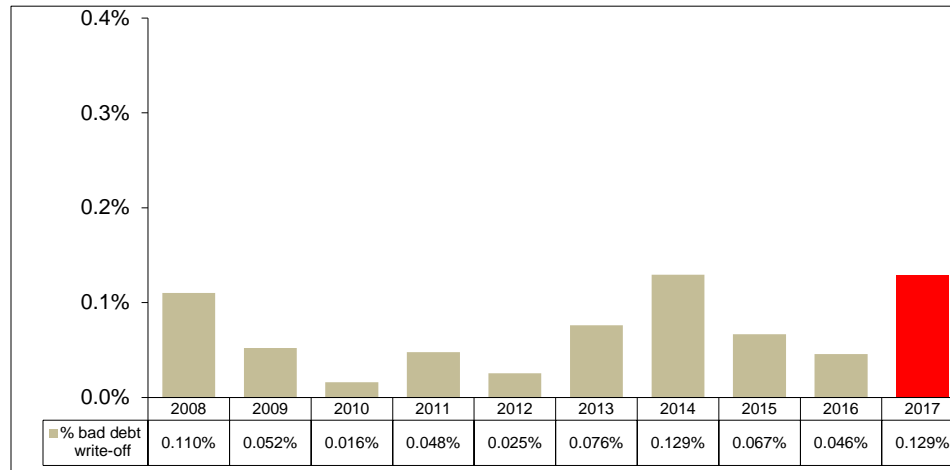


Chart 11.3 shows Toronto's bad debt expense over time. Toronto's results increased slightly and represented 0.129 percent of the revenues billed. In 2017 there was an increase bad debt write off.

Chart 11.3 (City of Toronto) Bad Debt Write-offs as a Percentage of Revenue Billed

11.4 – HOW DOES TORONTO COMPARE TO OTHER MUNICIPALITIES IN TERMS OF INVOICES ISSUED THAT ARE NEVER COLLECTED?

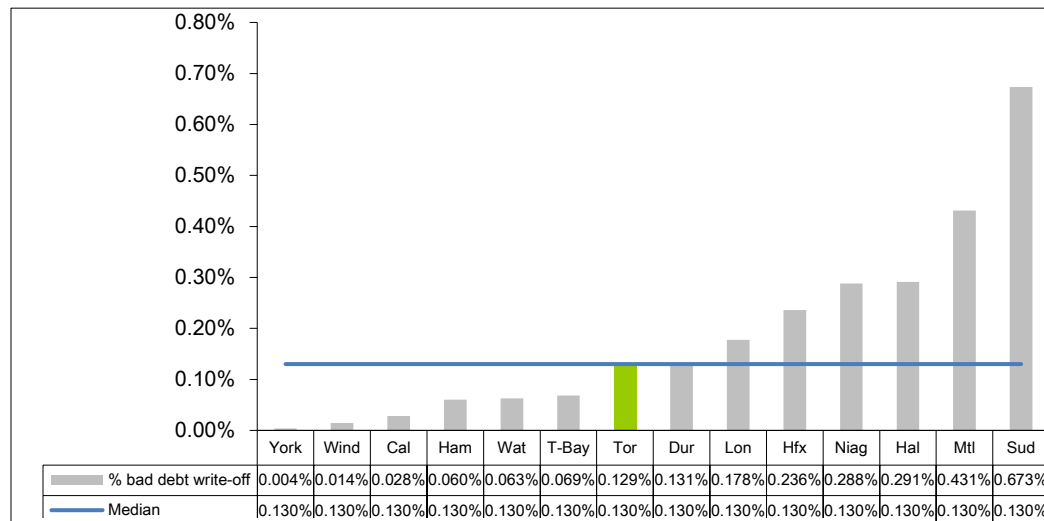


Chart 11.4 illustrates that Toronto's 2017 result ranked seven of fourteen municipalities (second quartile) in terms of having the lowest rate of bad debt expense.

Chart 11.4 (MBNC 2017) Bad Debt Write-offs as a Percentage of Revenue Billed

11.5 – HOW MUCH DOES IT COST TO BILL AND COLLECT AN ACCOUNTS RECEIVABLE INVOICE IN TORONTO?

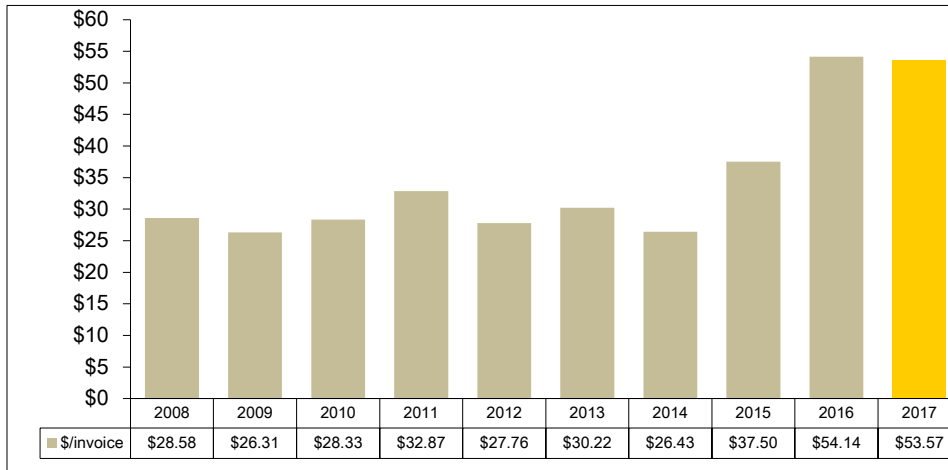


Chart 11.5 provides Toronto's operating cost of the accounts receivable function to bill and collect one invoice. In 2017 the costs was relatively stable.

Chart 11.5 (City of Toronto) Operating Cost of Accounts Receivable Function per invoice Issued

11.6 – HOW DOES TORONTO'S COST TO BILL AND COLLECT AN ACCOUNTS RECEIVABLE INVOICE COMPARE TO OTHER MUNICIPALITIES?

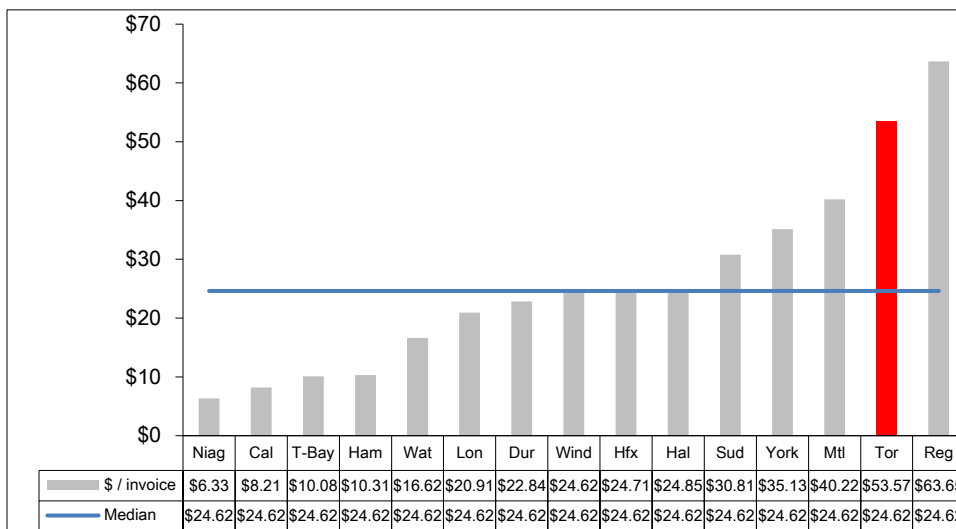


Chart 11.6 compares Toronto's 2017 cost of the accounts receivable function per invoice to other municipalities.

Chart 11.6 (MBNC 2017) Operating Cost of Accounts Receivable Function per invoice Issued

Toronto ranks fourteenth of fifteen municipalities (fourth quartile) in terms of having the lowest cost. One factor in Toronto's higher cost is the introduction on new revenue streams and a corresponding increase in labour costs to manage these new revenue streams.

Factors Influencing Results of Municipalities

The results of each municipality found in the charts included in this report are influenced to varying degrees by factors such as:

- Level of government and types of services: single-tier vs. two-tier and the specific services each one offers will affect the results.
- Systems/processes: the type and quality of systems used to capture Accounts Receivable including uploads and automated billing.
- Municipal policy: collection practices and payment terms.