

13 General Revenue



What is the Service?

General Revenue refers to support services for receivables owed to the municipality by citizens, businesses and other agencies doing business with the municipality. The goal of General Revenue is to ensure the municipality collects revenue to which it is entitled in a timely, accurate, and efficient manner in order to assist the municipality in exercising prudent fiscal management.

Specific services may include:

- Cash receipts
- Local improvement billing
- Special assessment billing
- Processing bill payments and collections
- Monitoring the performance of accounts receivable

Influencing Factors

Government Structure: Different tiers of municipal government, i.e. single-tier or upper-tier, and the specific service each one offers will affect results.

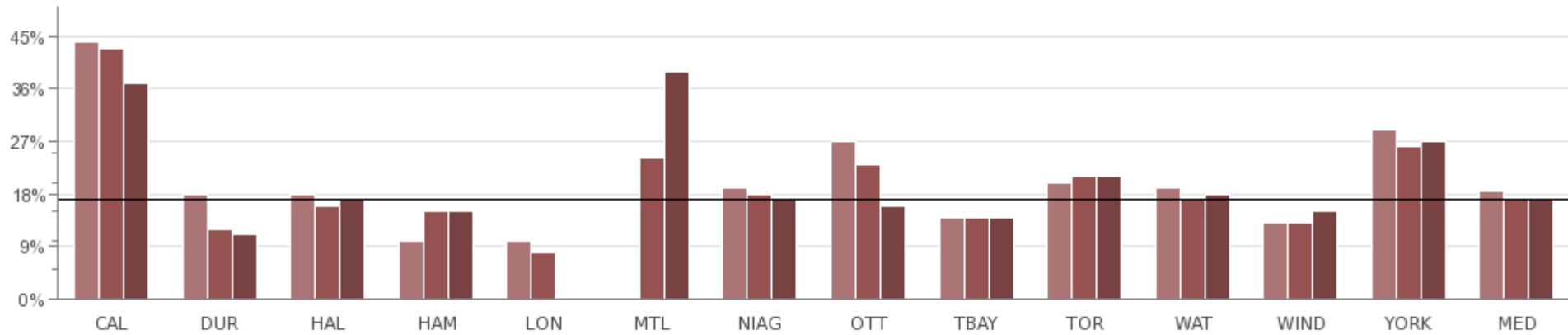
Policy and Practices: Collection practices, terms and handling of delinquencies, accounts receivable costs and related FTE (full-time equivalent) counts will differ between municipalities and their revenue streams.

Processes and Systems: Type and quality of systems used to capture Accounts Receivable including uploads and automated billing.

General Revenue

What percent of all revenues are billed?

Fig 13.1 Total Percent of General Revenues Billed



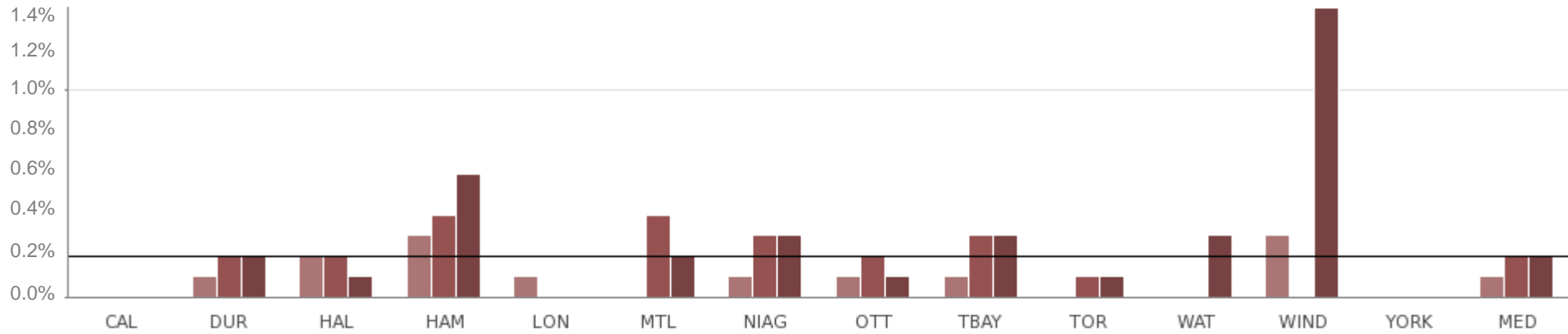
2012	44%	18%	18%	10%	10%	N/A	19%	27%	14%	20%	19%	13%	29%	19%
2013	43%	12%	16%	15%	8%	24%	18%	23%	14%	21%	17%	13%	26%	17%
2014	37%	11%	17%	15%	N/A	39%	17%	16%	14%	21%	18%	15%	27%	17%

Source: GREV210 (Service Level)

Note: Results are impacted by revenue sources (user fees, grants), accounting practices and management policies regarding the billing process.

What percent of billed revenue is written off?

Fig 13.2 Bad Debt Write-off as a Percent of Billed Revenue



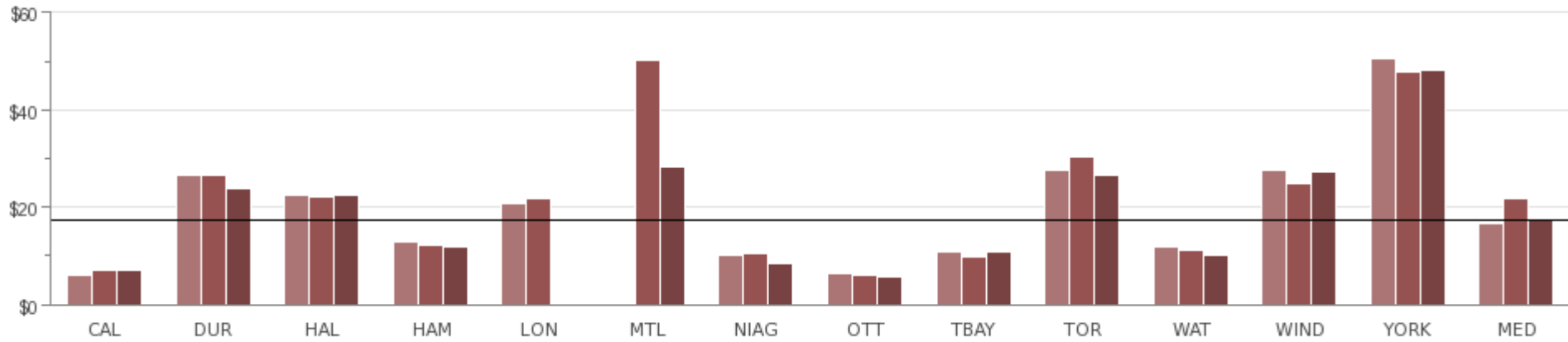
2012	0.0%	0.1%	0.2%	0.3%	0.1%	N/A	0.1%	0.1%	0.1%	0.0%	0.0%	0.3%	0.0%	0.1%
2013	0.0%	0.2%	0.2%	0.4%	0.0%	0.4%	0.3%	0.2%	0.3%	0.1%	0.0%	0.0%	0.0%	0.2%
2014	0.0%	0.2%	0.1%	0.6%	N/A	0.2%	0.3%	0.1%	0.3%	0.1%	0.3%	1.4%	0.0%	0.2%

Source: GREV325 (Efficiency)

Note: Municipalities generally do not write-off bad debt, but in some cases Municipalities may approve specific write-offs in a given year.

What is the operating cost to process and collect one invoice?

Fig 13.3 Operating Cost of Accounts Receivable Function per Invoice

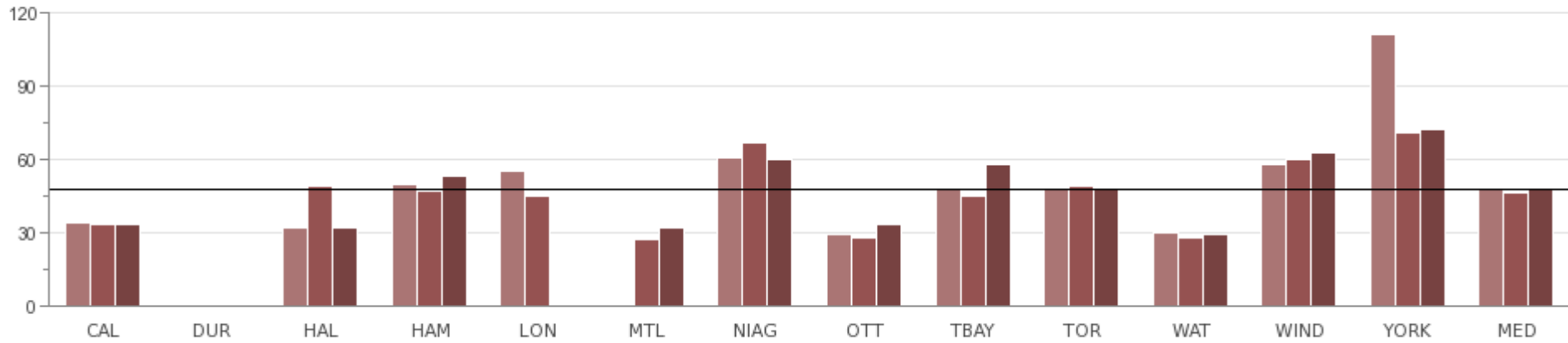


2012	\$6.14	\$26.61	\$22.50	\$12.77	\$20.62	N/A	\$10.10	\$6.51	\$10.79	\$27.76	\$11.73	\$27.66	\$50.39	\$16.70
2013	\$7.15	\$26.60	\$22.00	\$12.30	\$21.88	\$50.21	\$10.52	\$6.11	\$9.74	\$30.22	\$11.28	\$24.96	\$47.65	\$21.88
2014	\$7.19	\$23.90	\$22.54	\$11.91	N/A	\$28.22	\$8.56	\$5.84	\$10.88	\$26.43	\$10.24	\$27.17	\$48.24	\$17.23

Source: GREV310 (Efficiency)

What is the average collection period for invoices?

Fig 13.4 Average Collection Period (Days)

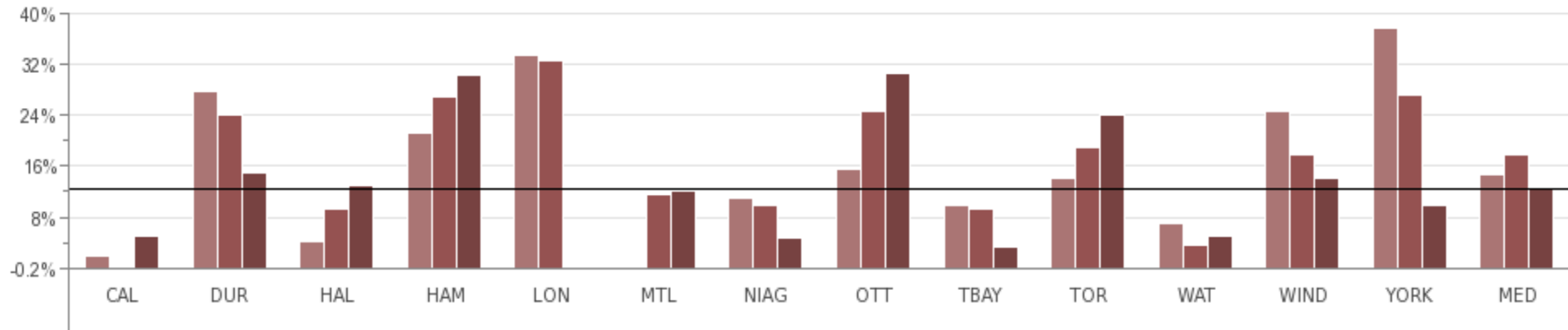


2012	34	N/A	32	50	55	N/A	61	29	48	48	30	58	111	48
2013	33	N/A	49	47	45	27	67	28	45	49	28	60	71	46
2014	33	N/A	32	53	N/A	32	60	33	58	48	29	63	72	48

Source: GREV335 (Efficiency)

What percentage of bills, issued by the municipality, remain unpaid after 90 days at years end?

Fig 13.5 Percent of Billings Outstanding Over 90 Days at Year End



2012	1.8%	27.9%	4.2%	21.2%	33.4%	N/A	10.9%	15.5%	10.0%	14.0%	7.1%	24.8%	37.9%	14.8%
2013	-0.2%	24.2%	9.3%	27.1%	32.8%	11.7%	9.9%	24.7%	9.3%	18.9%	3.6%	17.9%	27.3%	17.9%
2014	5.1%	15.0%	13.0%	30.3%	N/A	12.0%	4.8%	30.6%	3.3%	24.0%	5.1%	14.0%	10.0%	12.5%

Source: GREV320 (Efficiency)

Comment: Calgary's variance in 2014 is due to a large invoice in litigation that is over 120 days old. The negative value in 2013 is due to funds received prior to yearend for invoices issued in the following year.