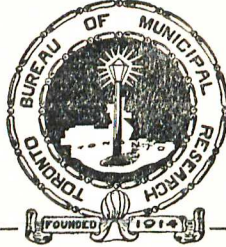


Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

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MUNICIPAL REPORTING

MUNICIPAL REPORTING HAS TWO MAIN PURPOSES:

- I. To give the policy-forming or legislative body the information it needs for control of civic services and the expenditure caused by them.
- II. To give to the citizens who pay the bills an account of how their money, contributed for public purposes, was expended, and what services were obtained from this expenditure.

In the judgment of the Bureau, there can be no adequate control by the representatives of the citizens and no adequate basis of judgment for citizens as to the character of the services rendered by their representatives, without reports covering every phase of a city's business, sufficiently detailed to give useful information, yet so condensed, expressed and illustrated that the average man or woman can not only understand but enjoy and appreciate the stories told.

STORY No. 1

Some Steps in Advance in Municipal Financial Reporting

SOME STEPS IN ADVANCE IN MUNICIPAL FINANCING REPORTING.

It is not possible to divide the evolution of Toronto's financial reports into sharply defined stages. Much of it has been gradual—here a little and there a little. In order to give a general idea, however, of the development in this field, four reports have been taken to illustrate some of the important stages.

The 1909 Report.

This Report is fairly typical of the period preceding 1909. It contained 801 pages, weighed nearly 4 pounds, and fatigued one just to look at it. Except for a balance sheet, a classified statement of the debt and one or two statistical tables given elsewhere in the Report, the first 43 pages contained practically all the information given which had any material value for a published report. Within these 43 pages were contained the Treasurer's introduction and accompanying remarks as to revenues and expenditures, City debt, borrowing powers, assets and revenue, and the Street Railway revenue; a condensed statement of receipts and disbursements, well classified and analytical; Waterworks operating statement, statement of City's accounts with School Boards and Public Library Board, the Auditor's Report and an abstract statement of receipts and disbursements arranged alphabetically by accounts to which the receipts and disbursements pertained. Following these 43 pages were 366 pages of a detailed statement of receipts and disbursements, the publication of which appears to have been absolutely superfluous and unnecessary. According to the explanation in the Treasurer's introduction, it was, however, published by instruction of the then Board of Control. The idea seemed to be to compile a document that would give the name of everyone who did business with the City during the year, how much he got on any particular account and an indication of what he got it for. The items varied from thousands of dollars to ten cents.

Following these 366 pages was a voluminous schedule of local improvement expenditure covering another 142 pages which likewise appears to have been entirely unnecessary of publication. Then was given a balance sheet, an exhaustive statement of debt, with several other miscellaneous statements. There may have been some value in the immense detail given for administrative purposes, but if so it is not apparent.

While the 1909 Report and most reports previous thereto, as also the 1912 statement, were most voluminous, that of 1910, for example, had been cut down over 550 pages through the omission of minute detailed statements.

It is perhaps fair to point out that in the olden days when such voluminous annual reports were published they were not used extensively for circulation, the City's Annual Budget estimates being used for that purpose instead. This Budget statement pretty well covered the feature of the City's annual revenue and expenditure, although presented as estimated rather than as actual. In the Treasurer's budget statement, which included a condensed statement of the revenue and expenditure for the year as estimated, there was presented a very clear and comprehensive brief review of the City's affairs including the current budget, together with a general review of other matters related to the City's interests.

The 1918 Report.

In 1918, as in the two previous and six succeeding years, the Treasurer's Annual Report was submitted as two Reports:

- (a) The Annual Financial Report of the Commissioner of Finance,
- (b) The Annual Report of the Commissioner of Finance on the Funded Debt and Sinking Fund.

The first of these contained 56 pages and the second 78. Both were crammed full of real information valuable for administrative purposes. Neither contained lists of receipts and payments with the names of the individual firms or persons concerned. The first of the report contained a real revenue-expense account, such as appeared for the first time in the 1917 Report. It also contained a real consolidated balance sheet, 1916 being the first year in which such a statement appeared. In addition to valuable tables, the Commissioner presented in each volume a thoroughly reasoned and clearly expressed report, with suggestions and recommendations invaluable for financial control. The earlier reports from 1916 to 1924 did not use graphic representations to illustrate the text or tables and catch the attention of the casual reader. With the 1919 Report on the Funded Debt and Sinking Fund, and the 1921 Annual Financial Report very excellent graphic representations to illuminate the text began to appear.

The 1928 Report.

The Annual Report of the Commissioner of Finance for 1928, as has been the case since 1924, appeared in one volume. With the exception of certain details of debenture debt, etc., the single volume of 93 pages covered the ground covered by the two volumes which preceded it. It contained, in addition to the usual tables, 8 graphic representations using circles and rectangles to illustrate the text. This enabled any reader of fair intelligence to get some real information, even if he had not much time to invest; it heightened the interest and deepened the understanding even of the serious reader and, through the appeal to the eye, it made a bid for the attention of readers who would not otherwise be reached.

The Report also contained some 28 cuts which, for the most part, illustrated the nature of improvements procured by municipal expenditures. Possibly some of these might have been omitted without seriously detracting from the value of the report. The report was printed on fine paper and was well bound. It was well worth reading as a report and gave an idea of the progress of the City and the nature of its financial structure and methods, knowledge which could not otherwise be obtained by citizens without a disproportional expenditure of time and energy.

The 1929 Report.

The 1929 report has only 70 pages. It is therefore smaller than any financial report yet issued by the City. But, while omitting nothing of importance, it contains additional valuable information. For the first time, besides the regular statements of expenditure giving clear and concise information as to how the money was spent, in an appendix it presents the other side of the picture, i.e., what the money spent produced in the way of service to the citizens.

From the standpoint of the citizen and taxpayer, no true financial summary can be made without showing the two sides, and it is hoped not only that the "summaries of activities of civic operating departments, public utilities," etc., will be continued, but that, now that the historical and organization features of each department and commission have been set forth, more space will be available for statements of the amount of work done and service rendered as a result of each year's expenditure. That the appendix was possible in its very excellent form, is a tribute to the extent of interdepartmental co-operation.

Possibly the 1929 report may prove to be the germ from which will be developed an annual report of the City as a whole, financial and operating, so that not only the governing bodies, but the citizens, may obtain a bird's-eye view of the community undertakings in all essential aspects—something particularly desirable in view of the great expansion of these services within the last 20 years, owing not only to the City's growth but also to its acquisition and development of public service enterprises. At basis, continuous efficient city government depends upon effective citizenship. A citizenship, to be effective, must be informed. A civic annual report, properly organized and arranged, would not be a waste of money, but would constitute an effective weapon in preventing waste, would make citizens more willing to consider real steps in advance, and would lay a sound foundation for intelligent civic patriotism.

The 1929 Report is introduced by a letter to the Mayor and Council by the Commissioner of Finance, who is also City Treasurer, emphasizing some of the main features of the Report and considerations growing out of these. There are about seven pages of photographic illustrations, a large number of analytical and comparative tables and a graph in circle form showing how each tax dollar was expended in 1929.

No citizen who desires to exercise an intelligent interest in municipal affairs can afford to neglect an examination of this report. A copy may be consulted at either of the Reference Libraries.