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CANADA

CLASSIFICATION  
OF  
FINANCIAL ACCOUNTS  
OF  
MOTOR CARRIERS OF FREIGHT IN CANADA

Formerly Classification of Accounts for Motor Carriers in Canada

SECOND EDITION 1960

DOMINION BUREAU OF STATISTICS

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DOMINION BUREAU OF STATISTICS  
Public Finance and Transportation Division  
Transportation Section

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## PREFACE

This publication is a revision of the "Classification of Accounts for Motor Carriers in Canada" first published by the Dominion Bureau of Statistics in 1947. During the intervening years the original classification has become less valuable because of the tremendous growth of the trucking industry in Canada and the development of a more complex industry terminology.

The revised accounts correspond with those in current use by the major trucking companies in the industry. Passenger carrier accounts which were previously integrated with freight carrier items have been removed. The classification should, therefore, simplify the task of completing reporting forms for the Dominion Bureau of Statistics and provincial regulatory authorities and facilitate the compilation of financial statistics for the industry. Furthermore, the resulting data can be more readily compared with individual company operations.

This working manual has been issued at this time, to implement, as quickly as possible, a uniform, comparable set of accounts for the trucking industry. Time did not permit the preparation of an adequate terminology, and a set of pro forma statements for the various classes of carriers. The manual has been issued therefore in loose leaf form in order that these and other additions and revisions may be distributed and easily inserted, as they become available.

It is essential that a standard classification of accounts be drawn up in such a manner that it takes care of all accounts necessary for the accounting of the largest operating companies. Some of these accounts do not apply to smaller companies and may be disregarded by them.

The revised accounts reflect the conclusions reached by the Dominion Bureau of Statistics after consultation with the Accounting Council of the Automotive Transport Association of Ontario, provincial trucking associations and provincial government regulatory bodies. The assistance of all industry and government officials, who gave so freely of their time, is gratefully acknowledged.

WALTER E. DUFFETT,  
*Dominion Statistician.*

August 1, 1960.

*Note: A copy of this publication is made available, without charge, to all provincial trucking associations, their member companies and provincial government regulatory bodies. Additional copies may be obtained for \$0.50 from the Dominion Bureau of Statistics, Ottawa, or the Queen's Printer, Ottawa. It is expected there may be periodic revisions which will be distributed to those receiving a complimentary copy and which may be obtained, without charge, by others who possess the document by addressing a request to the Dominion Bureau of Statistics.*

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### METHOD OF ALLOTING ACCOUNT NUMBERS

Series	Type of Account
1	Assets
2	Liabilities, Reserves and Capital
3	Operating Revenues
4	Operating Expenses
5	Profit or Loss on Disposal of Fixed Assets
6	Other Income and Expense Accounts

## LIST OF ACCOUNTS

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- 11-2 Working Funds and Deposits
- 11-3 Notes Receivable
- 11-4 Accounts Receivable, Freight or Trade
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  - 13-1-9 Construction in Progress
- 13-2 Motor Carrier Operating Property Leased to Others
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- 14-1 Investments and Advances, Associated Companies
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- 15-2 Organization Expenses
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- 15-9 Other Intangible Property

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**32 Freight Revenue, Intercity**

**33 Freight Revenue, Local Cartage**

**39 Other Operating Revenues**

**LIST OF ACCOUNTS - Continued**

**4 Operating Expenses**

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  - 41-1-2 Mechanics' Wages
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- 41-2 Truck Parts
- 41-3 Truck Repairs Purchased from Outside Sources
- 41-4 Tires and Tubes, Purchases and Repairs
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**42 Transportation Expenses**

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- 43-8 Terminal Stationery and Office Expense
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**LIST OF ACCOUNTS - Concluded**

**4 Operating Expenses - Concluded:**

**45 Insurance and Claims Expenses**

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- 45-3 Public Liability and Property Damage
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- 45-5 Other Insurance Premiums
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- 45-9 Other Insurance and Claims Department Expense

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  - 46-3-3 Telephone and Teletype
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  - 47-1-1 Buildings
  - 47-1-2 Revenue Equipment
  - 47-1-3 Other Automotive Equipment
  - 47-1-4 Shop and Garage Equipment
  - 47-1-5 Furniture and Office Equipment
  - 47-1-6 Other Equipment
  - 47-1-7 Improvements to Leasehold Property
- 47-2 Depreciation on Motor Carrier Property Leased to Others
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- 69 Other Income and Expense Accounts



**CLASSIFICATION OF FINANCIAL ACCOUNTS OF  
MOTOR CARRIERS OF FREIGHT IN CANADA**

**1 Assets**

**11 Current Assets**

**11-1 Cash**

This account should include the amounts of current funds in the hands of financial officers available for use on demand and deposits in banks or trust companies.

**11-2 Working Funds and Deposits**

This account should include amounts advanced to officers, agents, employees and others as petty cash or working funds from which expenditures are to be made and accounted for. This account may be subdivided into additional accounts to include items of a special nature such as temporary investments, interest on special deposits and dividend special deposits.

**11-3 Notes Receivable**

This account should include collectible obligations secured by realizable assets. Unsecured notes should be included under account 11-5—Accounts Receivable, Other.

**11-4 Accounts Receivable, Freight or Trade**

This account should include the amount due from customers including transportation and storage charges, etc.

**11-5 Accounts Receivable, Other**

This account may be subdivided to show amounts due from outsiders or associated companies, officers, stockholders or employees for advances or sale of materials or services other than the normal transportation or storage services etc., referred to under Account 11-4.

**11-6 Materials and Supplies Inventory**

This account should include the cost of all unused materials and supplies including repair parts, fuel, tires and tubes, etc. Inventories of materials and supplies should be taken at intervals of one year or less and the necessary adjustment should be made to bring this account into agreement with the actual physical inventory.

**11-9 Other Current Assets**

This account should include the amounts of all current assets not included in any of the foregoing current asset accounts, e.g., overpayment of income taxes.

**12 Prepayments and Deferred Charges**

This section should include the amount of expenses paid or incurred in advance of their accrual, the benefits of which are to be realized in subsequent periods. Entry should be made at each period transferring from this account to the appropriate expense account the portion of each prepayment which is applicable to that period. The following subdivisions are recommended:

**12-1 Prepaid Licences**

**12-2 Prepaid Insurance**

**12-3 Prepaid Workmen's Compensation**

**12-4 Prepaid Taxes — Municipal**

12 **Prepayments and Deferred Charges—Concluded:**

- 12-5 **Prepaid Rents**
- 12-6 **Prepaid Finance Charges**
- 12-9 **Other Deferred Charges**

13 **Fixed Assets**

13-1 **Motor Carrier Operating Property**

This account should include the total of the amounts representing the cost of carrier operating property included in accounts 13-1-1 to 13-1-9, inclusive, owned and used by the carrier in its motor carrier operations, including such property owned by the carrier but held by agents.

Records should be established to show the description, date of acquisition and cost of each parcel of land, each structure and unit of equipment or other unit of property included in the subdivisions of this account. The records for property depreciated under the unit plan should also reflect for each unit the estimated service life, depreciation rate and estimated salvage value so that the balance in account 24-1—Reserve for Depreciation, Motor Carrier Operating Property, with respect to each unit, can be determined at any time.

13-1-1 **Land**

This account should include the cost of land used directly in connection with the motor carrier operations of the carrier, including the first cost of acquiring long term and perpetual leaseholds of land and easements, but not rents payable periodically in consideration of rights so obtained.

Carriers should keep their records so as to show separately the cost of each parcel of land or interest therein and the purpose or purposes for which it is used in motor carrier operations.

**Items**

- Clearing land of brush, trees, and debris (first cost of).
- Easements, cost of, and expenses of acquisition.
- Fees and commissions to brokers and agents.
- Grading.
- Land, cost of.
- Long term and perpetual leases, cost of, and expenses incidental to acquisition, (but not amounts paid as rent).
- Surveys.
- Title, examining, registering, clearing, insuring and defending against claims relating to period prior to purchase.

13-1-2 **Buildings**

This account should include the cost in place of structures used in motor carrier operations for such purposes as general offices, shops, garages, terminals, loading platforms, and the like situated on owned land. Carriers should keep their records so as to show separately the cost of each structure included in this account and the purpose or purposes for which used in motor carrier operations.

**Items**

- Architect's plans.
- Awnings.
- Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signalling, ventilating and plumbing.

13-1-2 Buildings - ~~Concluded.~~

Items - Concluded

- Bridges and culverts.
- Chimneys.
- Commissions and fees to brokers, agents, architects, and others.
- Conduits (not to be removed).
- Door checks and door stops.
- Drainage and sewer systems.
- Elevators, cranes, hoists, etc., and the machinery for operating them.
- Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material.
- Fences and hedges.
- Fire protection systems.
- Floor covering (permanently attached)
- Foundations and piers for machinery constructed as a permanent part of a building or other unit listed herein.
- Oil pits and drainage systems.
- Outside lighting systems.
- Painting, first.
- Permits and privileges, building.
- Platforms, railings, gratings and partitions, when constructed as part of a structure.
- Power boards for service to a building.
- Refrigerating systems.
- Retaining walls.
- Scales, connected to and forming part of a structure.
- Screens.
- Sidewalks, pavements and driveways on building grounds.
- Sprinkling systems.
- Storage facilities constituting part of building.
- Storage tanks, underground or attached to structures.
- Storm doors and windows.
- Structures, cost of.
- Subways, areaways and tunnels, directly connected to and forming part of a structure.
- Vaults, constructed as part of a building.
- Water supply system for building or general company purposes.
- Window shades and ventilators.
- Wiring for office equipment if made a part of a structure.

**Note:** The cost of structures under construction should be carried in account 13-1-9 Construction in Progress, until ready for service.

13-1-3 Revenue Equipment, Trucks, Tractors, Trailers

This account should include the cost of all units of revenue freight equipment, their repairs, overhauling, painting, lettering, and the first set of accessory equipment necessary to fit them for service. The term "revenue equipment" includes body and chassis and all fixtures and appliances inside of or attached to the body or chassis.

**13-1-3 Revenue Equipment, Trucks, Tractors, Trailers-- Concluded:**

If revenue equipment is purchased in a condition ready for service, the charge to this account should include the invoice or contract price: less fleet and other discounts if any; plus freight, excise and sales taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicles upon the premises of the carrier such as drive-away charges, and the cost of painting and lettering and of any additions or attachments made after delivery. But this account should not include interest, insurance or other expenses incurred under any plan of purchase involving deferred payments, or the gain or loss on retirement of equipment given in trade. This account should be subdivided as follows:

**13-1-3-1 Tractors or Truck-tractors**

**13-1-3-2 Trailers**

**13-1-3-3 Semi-trailers**

**13-1-3-4 Trucks**

**13-1-4 Other Automotive Equipment**

This account should include cars, tow trucks, shunt tractors, lift trucks and other service vehicles which are not used for earning revenue.

**13-1-5 Shop and Garage Equipment**

This account should include the installed cost of machinery and equipment, other than office furniture and equipment, used in shops and garages when such machinery and equipment is not an integral part of the housing structure, together with specially provided foundations and settings not expected to outlast the machinery mounted thereon. Records shall be kept so as to show separately the cost of each major item of equipment.

If the carrier has shops or garages at more than one location, the records should be maintained to reflect the carrier's investment at each location.

**Items**

Air compressors and hose, gauges and tanks.	Grinders.
Anvils.	Jacks.
Arbor presses.	Lathes.
Battery charging outfits.	Lockers.
Belts, shafts and countershafts.	Machine tools.
Boring or reaming machines.	Motor driven hand tools.
Car washing equipment.	Motor starters.
Cranes and hoists (portable).	Oil reclaiming machines.
Creepers.	Paint sprayers.
Drill presses.	Pneumatic tools.
Electric equipment.	Storage bins and shelving (movable).
Engines and Boilers.	Store room equipment (except office furniture and equipment).
Forges.	Stoves.
Gasoline and oil pumps and portable tanks.	Testing apparatus.
Greasing racks and pumps.	Tire changing equipment.

13-1-5 Shop and Garage Equipment - Concluded:

Items - Concluded

Tool racks.	Welding apparatus.
Vices.	Wheel pullers.
Vulcanizing equipment.	Wiring for shop equipment (movable).
Weighing devices (portable).	Work benches.

13-1-6 Furniture and Office Equipment

This account should include the installed cost of furniture and appliances used in general offices, garage, terminal and other offices, when such equipment is not an integral part of the housing structure.

The records should be maintained to reflect the carrier's investment in furniture and office equipment at each location.

Items

Bookcases.	Lighting fixtures (movable).
Cash registers.	Lockers.
Chairs, stools and benches.	Loud speaker system.
Clocks.	Office equipment (mechanical).
Communications systems (inter-office equipment).	Partitions and railings (movable).
Counters.	Restaurant equipment.
Desks.	Safes (movable).
Equipment in rest, dining, recreation and medical rooms.	Show cases and shelves.
Fans, electric.	Tables and counters.
Filing cabinets.	Teletypewriters.
Fire extinguisher equipment.	Time clocks.
Floor coverings (movable).	Typewriters.
Heaters and lamps (movable).	Vacuum cleaners.
Kitchen equipment.	Water coolers.
	Wiring for office equipment (movable).

13-1-7 Other Equipment

This is a miscellaneous equipment account and should include items such as:

- Carts.
- Chain hoists.
- Cranes (not those installed on revenue vehicles).
- Dollies (platform).
- Hamper trucks.
- Hand trucks.
- Mechanical loading devices.
- Platform trucks and tractors.
- Radio equipment.
- Scales.
- Signal equipment.
- Signs (electric and portable).
- Weighing devices.

### 13-1-8 Improvements to Leasehold Property

This account should include the cost to the carrier of initial improvements (including rearrangements, additions, and betterments) to property used in its motor carrier operations and held under lease or through control of the carrier owning the property, and the cost of any subsequent additions to and betterments of such leased or controlled property but not including replacements. Depreciation on such improvements should be accounted for in the same manner as for other owned depreciable property.

When the cost of alterations to leased property used in motor carrier operations otherwise chargeable to this account is not in excess of \$50.00 or the period of the lease is less than one year, the cost should be charged to the accounts chargeable with the cost of repairs to such property.

**Note:** If the lease agreement provides that structures or other improvements placed on leased property by the lessee should remain the property of said lessee and may be removed at the expiration of the lease, the investment in such improvements and depreciation accruals thereon should be transferred to other appropriate accounts at that time.

### 13-1-9 Construction in Progress

This account should include the cost of carrier operating property under construction but not ready for service.

### 13-2 Motor Carrier Operating Property Leased to Others

This account should include the cost of carrier operating property owned by the company but leased to others as distinct operating units or systems for use in carrier operations where the lessee has exclusive possession.

The account should be subdivided to show separately the investments in each class of property as provided under account 13-1 - Motor Carrier Operating Property.

### 13-3 Non-Motor Carrier Property

This account should include the book cost of land, structures and equipment owned by the company and used in other than motor carrier operations and not provided for in accounts 13-1 - Motor Carrier Operating Property and account 13-2 - Motor Carrier Operating Property Leased to Others.

## 14 Investments, Securities and Advances

### 14-1 Investments and Advances, Associated Companies

This account should include the book cost of the carrier's investments in securities issued or assumed by affiliated companies; notes of affiliated companies maturing later than one year from date of issue; and the amount of advances to and receivables from affiliated companies not subject to current settlement, including accrued interest on such advances when not subject to current settlement.

The account should be subdivided to reflect separately for motor carriers and for others:

- (1) Common stocks.
- (2) Preferred stocks.
- (3) Bonds.
- (4) Notes.
- (5) Other investments.
- (6) Advances.

**Note:** Balances in open accounts with affiliated companies which are subject to current settlement should be included in account 11-5 - Accounts Receivable, Other.

#### 14-9 Other Investments and Advances

This account should include the book cost of the carrier's investments in securities issued or assumed by other than affiliated companies; notes of other companies and persons, maturing later than one year from date of issue; the cash surrender values of insurance policies carried on the lives of officers and employees when the carrier is beneficiary of such policies; advances to other companies and individuals and open accounts receivable not subject to current settlement, including any accrued interest when not subject to current settlement.

The account should be subdivided to reflect separately for motor carriers and for others:

- (1) Common stocks.
- (2) Preferred stocks.
- (3) Bonds.
- (4) Notes.
- (5) Other investments.
- (6) Advances.

**Note:** Balances in open accounts with other companies and individuals which are subject to current settlement should be included in account 11-5 - Accounts Receivable, Other.

### 15 Intangible Assets

#### 15-1 Franchises

This account should include the amounts paid in consideration of franchises, permits, consents or certificates. It should also be charged with expenditures incidental to applications, when acted on favourably by regulatory bodies, for franchises, permits, consents, or certificates, including fees for legal and auditing services, expenses of witnesses, cost of newspaper and other advertisements, etc., and pay expenses of employees engaged in preparing exhibits and other data for hearings.

Regularly recurring payments to any political subdivision for the right to operate within its boundaries should be charged to account 42-3 - Licence Expense.

#### 15-2 Organization Expenses

This account should include fees paid to government authorities for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprises, and putting it into readiness to do business.

#### 15-3 Unamortized Debt Discount and Expense

This account should include the total of the net debit balances representing the excess of the discount and expense over the premium in the issuance of each class of the company's outstanding long term obligations. Separate subdivisions should be maintained in respect of each issue of these obligations.

#### 15-9 Other Intangible Property

This account should include any intangibles not provided for elsewhere.

## 2 Liabilities

### 21 Current Liabilities

#### 21-1 Bank Loans

This account should include the face value of outstanding obligations to the banks which, by their terms, do not run for a period in excess of one year.

## **21-2 Current Loans and Notes from Others, Maturing in One Year**

This account should include the face value of outstanding obligations in the form of notes, drafts, acceptances, and similar evidences of indebtedness, which by their terms do not run for a period in excess of one year. Subdivisions should be kept to show separately obligations maturing upon demand from obligations bearing a specified maturity date.

Notes payable to associated companies should be included in account 22-3 - Advances from Associated Companies.

Unmatured equipment obligations irrespective of maturity should be included in account 22-1 - Equipment Notes and Obligations.

## **21-3 Accounts Payable, Trade**

This account should include amounts payable to others (except associated companies) for materials and supplies and services received, including the use of property, other matured rents, amounts due to public authorities, current accounts with officers and employees and similar items.

It should also include the balances due to other motor carriers.

The account should be subdivided to show separately:

- (1) Accounts payable - officers, stockholders and employees.
- (2) Traffic and interline balances.
- (3) Accounts payable - trade.

Other motor carriers' accounts representing traffic or interline debit balances should be included in account 11-4 - Accounts Receivable, Freight or Trade.

## **21-4 Accounts Payable, Other**

This account should include associated companies, employees' payroll deductions, C.O.D.'s unremitted, etc., subdivided into separate accounts.

## **21-5 Wages and Salaries Payable**

This account should include the amount of wages payable or accrued payrolls at the date of the balance sheet. Unclaimed wages should be transferred to account 21-9 - Other Current Liabilities.

## **21-6 Estimated Income and Other Taxes Payable**

This account should be subdivided by taxing authority to which these taxes are payable. Overpayment of taxes should be included under account 11-9 - Other Current Assets.

## **21-7 Accrued Expenses**

This account should be subdivided into separate accounts for Workmen's Compensation, Unemployment Insurance, interest, rent, vacation pay, statutory holiday pay, etc.

## **21-9 Other Current Liabilities**

This account should include all current and accrued liabilities which cannot be included in any of the foregoing accounts, such as unmatured rent accrued and unclaimed wages.

## **22 Equipment Notes and Other Long Term Obligations**

### **22-1 Equipment Notes and Obligations**

This account should include:

- (a) the face value of unmatured equipment obligations, issued by the company and neither retired nor cancelled. These include equipment bonds, equipment notes, chattel mortgages, and other obligations for which equipment is pledged as a security or is held under a conditional sales agreement;



**22-1 Equipment Notes and Obligations—Concluded:**

- (a) the face value of equipment obligations issued by others, the payment of which has been assumed by the company;
- (c) the face value of equipment obligations described in (a) and (b) which have had their maturity extended by specific agreement.

A separate subdivision should be made for each class of equipment obligation. On the balance sheet, obligations maturing within one year should be shown separately from those maturing later than one year from the date of the balance sheet.

**22-2 Bonds**

This account should include the face value of the unmatured bonds which have not been retired or cancelled (except equipment bonds—see account 22-1—Equipment Notes and Obligations); also, the face value of bonds issued by others, for which payment has been assumed by the company.

A separate subdivision should be made for each class and series of bonds. On the balance sheet, obligations maturing within one year may be shown separately from those maturing later than one year from the date of the balance sheet.

**22-3 Advances from Associated Companies**

This account should include the amount of advances from associated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon, when this interest is not subject to current settlement.

Amounts of temporary advances which are subject to current settlement, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., should be included in account 21-4—Accounts Payable, Other.

**22-4 Other Advances Payable**

This account should include the amount of advances from individuals and companies other than associated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement.

This account should be subdivided to show for each creditor:

- (1) Notes Payable
- (2) Open accounts not subject to current settlement.
- (3) Interest accrued on amounts included in this account when not subject to current settlement.

Amounts of temporary advances which are subject to current settlement such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., should be included in account 21-3—Accounts payable, Trade.

**22-9 Other Long Term Obligations**

This account should include all other long term obligations not otherwise provided for, such as real estate mortgages, assessments for public improvements, receipts outstanding for long term obligations and other obligations maturing more than one year from the date of issue.

A subdivision should be made for each class of obligation and separate records should be kept for each issue to show all details, such as date of issue, date of maturity, interest date and rates, security for obligations, etc. On the balance sheet, obligations maturing within one year may be shown separately from those maturing later than one year from the date of the balance sheet.

## 23 Deferred Credits

### 23-1 Unamortized Premium on Debt

This account should include the total of all credit balances representing the excess of premium over discount and expense arising from the issuance of each class of the company's long term or equipment obligations. A separate subdivision should be made for each issue.

## 24 Reserves

### 24-1 Reserve for Depreciation, Motor Carrier Operating Property

This account should be subdivided to show the balances applicable to each class of property as follows:

24-1-1 Buildings

24-1-2 Revenue Equipment

24-1-3 Other Automotive Equipment

24-1-4 Shop and Garage Equipment

24-1-5 Furniture and Office Equipment

24-1-6 Other Equipment

24-1-7 Improvements to Leasehold Property

### 24-2 Reserve for Depreciation, Motor Carrier Operating Property Leased to Others

### 24-3 Reserve for Depreciation, Non-Motor Carrier Operating Property

### 24-4 Other Reserves

This account should include the following:

#### 24-4-1 Reserve for Doubtful Accounts Receivable

This account should be credited with amounts reserved for receivables which may become uncollectible.

#### 24-4-2 Reserve for Cargo Loss and Damage

This account should be credited with amounts to provide a reserve as at the balance sheet date from claims by customers for loss of or damage to property not covered by outside insurance. Cost of settlement of claims should be charged to this account and differences between amounts reserved and amounts paid should be charged or credited to account 45-2 - Cargo Loss and Damage.

#### 24-4-3 Reserve for Injuries and Damages to Third Parties

This account should be credited with amounts to provide a reserve as at the balance sheet date for claims by third parties for personal injury or property damage, when these hazards are not covered by outside insurance. Cost of settlement of these claims should be charged to this account and differences between amounts reserved and amounts paid should be charged or credited to account 45-3 - Public Liability and Property Damage.

#### 24-4-4 Reserve for Collision, Fire and Theft to Company Property

This account should be credited with amounts to provide a reserve as at the balance sheet date for losses through collision, accident, flood, fire or other hazards to the company's own property or to property leased from others when these hazards are not covered by outside insurance. Cost of settlement of these claims should be charged to this account and differences between amounts reserved and amounts paid should be charged or credited to account 45-4 - Collision, Fire and Theft.

#### **24-4-9 Other Reserves**

This account should include amounts reserved by the company for purposes which are not provided for in any of the preceding reserves. This includes such accounts as sinking fund reserves, contingency reserves, and other reserves created by charges to income or surplus.

This account should be arranged to show the amount of each separate reserve and the nature and the amounts of the debits and credits.

### **25 Capital**

#### **For Use by Incorporated Businesses**

##### **25-1 Preferred Capital Stock**

##### **25-2 Common Capital Stock**

These accounts should include the par value of stocks with par value; and the cash value of the consideration received, including assessment, for no par value stocks which have been nominally or actually issued.

Separate accounts should be provided for each class of stock and the title of each account should clearly identify the class of stock covered. Issues of stock should not be considered to be of the same class of stock unless identical in all provisions, nor should there be carried any undivided item which pertains to more than one class of stock.

#### **For Use by Unincorporated Businesses**

##### **25-3 Sole Proprietorship Capital**

or

##### **Partnership Capital**

### **26 Surplus**

#### **26-1 Unearned Surplus**

This account should include all surplus not classified below as earned surplus. It should include donations; surplus arising out of reorganization and recapitalization, amortization of expenses on capital stock, surplus arising from appraisals, etc.

This section should be subdivided into accounts to show each source of unearned surplus.

#### **26-2 Earned Surplus**

This account should include profits, dividends declared, reserve adjustments and write-offs, and other credits or charges not provided for elsewhere.

## **OPERATING ACCOUNTS**

### **3 Operating Revenue**

Carriers have the choice of using either 31 or 32 Revenue Accounts. Account 31 and account 31-1 Interline Charges should be used by those companies whose interline charges are not considered material enough to be calculated and accrued as a liability in advance of the charges being billed by the interline companies.

#### **31 Freight Revenue, Intercity, Gross**

This account should include the total revenue billed by the carrier (including other carriers' proportion of revenue on interline shipments where such revenue is billed and collected by the company) for the transportation of property in intercity service, including pick-up and delivery incident thereto, and fees for handling C.O.D. shipments (excluding actual money collected on behalf of shipper) and other collection of money from consignees in connection with freight shipments.

### 31-1 Interline Charges

Where the total amount billed on interline shipments is credited to account 31, all disbursements to other carriers for their proportion of revenue on interline shipments should be charged to this account.

### 32 Freight Revenue, Intercity

This account should be used by those companies whose interline charges are appreciable enough for them to be calculated and accrued as a liability in advance of the charges being billed by the interline companies. The account should include all revenue earned by the company from the transportation of property in intercity service, including incidental pick-up and delivery. This means total revenue from single line shipments and the company's proportion of revenue earned on interline shipments plus fees for handling C.O.D. shipments and other collections of money from consignees in connection with such freight shipments.

### 33 Freight Revenue, Local Cartage

This account should include all revenue earned from the transportation of property in local cartage service, in other words revenue from pick-up and delivery and local transfer services performed for customers locally or for other carriers by motor vehicle, railroad, air, water and express and for freight forwarders (i.e. work other than that which would normally require a Provincial or Federal Operating Authority).

### 39 Other Operating Revenues

This account should include all revenues, other than intercity and local cartage freight revenue, derived from the operation of the company's fleet of vehicles and its terminal facilities to the extent that any one or more of these revenues is considered appreciable enough to be accounted for separately instead of being netted against the relative expense account. Examples of such other operating revenues are as follows:

- (a) Storage and warehousing charges
- (b) Commission on collection of provincial tax on diesel fuel
- (c) Commission on operation of vending machines for soft drinks, sandwiches, cigarettes, etc.
- (d) Profit on sales of materials and supplies and on shop work and services to others
- (e) Parking and storage of vehicles
- (f) Lease of equipment

## 4 Operating Expenses

### 41 Equipment, Maintenance and Garage Expenses

#### 41-1 Salaries and Wages

This account should be subdivided to show:

##### 41-1-1 Supervision

This account should include the salaries and bonuses of officials and other employees, such as superintendents and foremen (other than working foremen), engaged in supervising and directing the repairing and servicing of revenue equipment, service equipment and shop and garage property used in motor carrier operations.

##### 41-1-2 Mechanics' Wages

This account should include the wages of all employees working at garages or terminals for the purpose of servicing automotive equipment.

##### 41-1-3 Salaries and Wages for Other Maintenance Personnel

This account should include the salaries of stock clerks, garage, office help, etc.

**41-2 Truck Parts**

This account should include the cost of parts used or to be used for repairs made in own shop. The exact accounting treatment will depend on whether (1) perpetual inventories are carried, (2) monthly or periodical inventory adjustments are made. Also charged to this account or sub-sections thereof should be: alcohol and antifreeze, fire extinguishers, supplies, jacks, lamps, pads, poles, ropes, stakes, tire chains, tarpaulins, etc.

**41-3 Truck Repairs Purchased from Outside Sources**

This account should include the cost of parts and labour for repairs made at service centres not operated by company but should not include part repairs serviced outside and installed by own personnel in own shop.

**41-4 Tires and Tubes, Purchases and Repairs**

This account or its subdivisions should include all new tire purchases, recap purchases and the cost of labour and materials used in repairing and renewing, setting up and mounting (including shoes, valves, flaps, sections), etc.

**41-5 Garage Equipment Maintenance**

This account should include repairs to garage equipment, cost of small tools and rags, wipers, supplies, lubricants, etc., used in conjunction with garage equipment.

**41-6 Garage Occupancy and Rent**

This account should include cost of garage building supplies, maintenance and repairs, rent and such other costs as water, light, heat and telephone which relate to garage occupancy.

**41-7 Garage Manager's Expense**

This account should include expenses of the garage manager such as travel, trade journals, memberships, etc.

**41-9 Other Maintenance Expense**

This account should include such items as outside towing, employees' smocks and cleaning thereof, etc.

**42 Transportation Expenses**

**42-1 Salaries and Wages**

This account should be subdivided to show:

**42-1-1 Dispatchers' and Operating Supervisors' Salaries**

This account should include only the salaries of those employees whose work is primarily in highway operations. It should include operators of two-way radio communication service if used on highway service.

**42-1-2 Highway Drivers' Wages**

This account should include all employees whose primary job is inter-city driving although these same employees might make their own pick-up and/or deliveries.

**42-2 Fuel, Oil and Grease**

This account should be subdivided to show:

**42-2-1 Gasoline Purchases**

This account should include all expenditure on gasoline fuel less tax.

**42-2-2 Gasoline Tax**

This account should include all taxes paid on gasoline. Gallonage records are recommended but do not necessarily form part of this account. Interprovincial and international carriers should subdivide the account by taxing jurisdictions.

**42-2-3 Diesel Fuel Purchases**

This account should include all expenditure on diesel fuel less tax. (See account 42-2-1 - Gasoline Purchases).

**42-2-4 Diesel Fuel Tax**

This account should include all taxes paid on diesel fuel. (See account 42-2-2 - Gasoline Tax).

**42-2-5 Oil Purchases**

This account should include all expenditure on oil except where used for heating.

**42-2-6 Grease Purchases**

This account should include all expenditure on grease used in own shop.

**42-3 Licence Expense**

This account should include all expenditure on licences. Interprovincial and international carriers should subdivide the account by taxing jurisdictions.

**42-4 Trip Expense**

This account should be subdivided to show:

**42-4-1 Drivers' Lodgings and Meal Expense**

This account should include all authorized expenses of drivers for lodgings and meals.

**42-4-2 Loading and Stowing Expense**

This account should include cost of all supplies needed for chaining, blocking, stowing and protecting loads.

**42-4-3 Bridge, Road, Tunnel and Ferry Tolls**

**42-4-4 Sufferance Warehouse and International Border Substation Charges**

**42-5 Purchased Transportation**

This account should be subdivided for such items as equipment rentals, rail piggyback expense, payments to lessor operators, etc.

**42-9 Other Transportation Expense**

This account should include all other transportation department expenses that are not provided for elsewhere, such as extra labour for loading or unloading not at its terminals, fines for traffic violations, ice or other refrigerants, fuel for heated service, provision of pilot cars, weighing of freight, operation of switching points, service after hours of customers, employees, etc.

## **43 Terminal Expenses**

### **43-1 Salaries and Wages**

This account should be subdivided to show:

#### **43-1-1 Supervision**

This account should include the salaries and bonuses of employees engaged in general supervision of terminal operations.

#### **43-1-2 Clerical**

This account should include the salaries and wages of cashiers and other employees engaged in rating, billing and manifesting freight shipments, local dispatching, claims investigation, tracing and other terminal clerical duties.

#### **43-1-3 Pick-up and Delivery Drivers' and Helpers' Wages**

This account should include the pay of drivers and helpers whilst employed on local pick-up and delivery work as distinct from intercity highway work.

#### **43-1-4 Platform Superintendents' and Dock Foremen's Salaries**

This account should include the salaries of platform superintendents and foremen.

#### **43-1-5 Checkers' and Dockmen's Wages**

This account should include the wages of checkers, dockmen, loaders, platform truckers and other employees including casual labour engaged in loading, unloading and platform handling of freight at the company's terminals.

#### **43-1-9 Other Terminal Employees' Wages**

This account should include the wages of yardmen, gasoline attendants, watchmen, cleaners, janitors and other miscellaneous terminal employees.

### **43-2 Terminal Rents**

This account should include rental payments for real estate and other property used in motor carrier operations by the terminal department.

### **43-3 Terminal Light, Heat, Power and Water**

This account should include all payments for light, heat, power and water services at the terminals.

### **43-4 Terminal Building Repairs and Maintenance**

This account should include all payments for repairs and maintenance of terminal buildings including plumbing, heating, painting, roofing, flooring, etc.

### **43-5 Replacements of Terminal Equipment**

This account should include costs of replacements of terminal equipment such as pallets, hand trucks and dock plates.

### **43-6 Terminal Municipal Taxes**

This account should include all municipal realty and business taxes on terminal properties.

**43-7 Terminal Manager's Expense**

This account should include all incidental terminal expenditures authorized by the terminal manager such as staff meal allowances, entertainment, contributions to local welfare funds and community projects.

**43-8 Terminal Stationery and Office Expense**

**43-9 Hired Trucks**

This account should include cost of hiring local pick-up and delivery trucks.

**43-0 Other Terminal Expense**

This account should include other expenditures such as gravel, slag or other ballast for maintenance of yard, calcium chloride to settle dust or melt snow and ice, etc.

**44 Traffic Department Expenses**

**44-1 Salaries and Wages**

This account should be subdivided to show:

**44-1-1 Salesmen's Salaries**

This account should include salaries of employees who are directly engaged in the promotion and solicitation of traffic.

**44-1-2 Traffic Department Office Salaries**

This account should include all traffic department salaries other than those of salesmen, traffic managers, stenographers, pro bill auditors, etc.

**44-2 Tariffs and Schedules**

This account should include the cost of printing and other expenses, except salaries, incurred in the preparation of tariffs and schedules. It should also include amounts payable to outside agencies for publishing the carrier's tariffs and schedules.

**44-3 Advertising**

This account should include expenses, other than salaries, in connection with advertising for the purpose of securing traffic, such as the preparation, printing and distribution of advertising matter and copy, commissions and fees paid outside advertising agents, the cost of advertising space in newspapers and periodicals, expenses incurred in connection with advertising by radio, the cost of operating and maintaining neon and other display signs (permanent or portable) for attracting traffic, including bulletin boards, display cards and cases and photographs, etc.

**44-4 Salesmen's Expense**

This account should include salesmen's car allowances, travelling and other salesmen's expenses.

**44-9 Other Traffic Expense**

This account should be charged with traffic department expenses, which are not provided for elsewhere.

**45 Insurance and Claims Expenses**

**45-1 Insurance and Claims Department Salaries**

This account should include the salaries of the insurance and claims department employees.



**45-2 Cargo Loss and Damage**

This account should include the net cost of commercial insurance to protect the company against liability for claims resulting from loss and damage to, or delay of, property entrusted to it for transportation or storage. This account should also include either a monthly provision for claims of this nature not covered by commercial insurance (to be accumulated in account 24-4-2 - Reserve for Cargo Loss and Damage) or the actual cost of such claims paid by the company.

**45-3 Public Liability and Property Damage**

This account should include the net cost of commercial insurance to protect the carrier against liability for deaths of, or injuries to, persons (other than the carrier's employees) and damages to the property of others (except property entrusted to the carrier for transportation or storage) resulting from the operation of owned or leased vehicles in motor carrier service. This account should also include either a monthly provision for claims of this nature not covered by commercial insurance (to be accumulated in account 24-4-3 - Reserve for Injuries and Damages to Third Parties) or the actual cost of such claims paid by the company.

**45-4 Collision, Fire and Theft**

This account should include the net cost of commercial insurance to protect the company against loss from collision, fire or theft damage to owned or leased vehicles used in motor carrier operations. This account should also include either a monthly provision for claims of this nature not covered by commercial insurance (to be accumulated in account 24-4-4 - Reserve for Collision, Fire and Theft to Company Property) or the actual cost of such claims paid by the company.

**45-5 Other Insurance Premiums**

This account should include the net cost of commercial insurance to protect the company against loss from boiler, burglary, disloyalty, holdup, lightning, plate glass; owners, landlords and tenants liability; and other risks not elsewhere provided for. The account should also include fire insurance on buildings and equipment.

**45-6 Workmen's Compensation Insurance**

This account should include a monthly charge for Workmen's Compensation Insurance based on the provisional rate per dollar value of payroll plus sundry charges and expenses incurred in connection with employee accidents which are not paid by Workmen's Compensation Insurance.

**45-7 Safety Department**

This account should include the salaries of safety and personnel staff and the expenses of maintaining a road patrol and safety programs.

**45-8 Insurance and Claims Department Travelling Expense**

**45-9 Other Insurance and Claims Department Expense**

**46 Administrative and General Expenses**

**46-1 Salaries and Wages**

This account should be subdivided to show:

**46-1-1 Executive Salaries**

This account should include the salaries, bonuses and other remuneration of all officers of the company or proprietors or partners of other than incorporated companies.

**46-1-2 General Office Employees' Salaries**

This account should include the pay of all general office employees, such as office managers, accountants, bookkeepers, stenographers, typists, clerks, switchboard operators, janitors, watchmen and other employees attached to the general office.

**46-1-3 Personnel Department Salaries**

This account should include the salaries of personnel department employees.

**46-2 Other Employment Expense**

This account should be subdivided to show:

**46-2-1 Employee Group Insurance**

This account should include the net cost of commercial insurance to the company for employees for life, weekly indemnity, hospitalization, surgical, etc.

**46-2-2 Employee Pensions**

This account should include the company's portion of the cost of employees' pensions.

**46-2-3 Unemployment Insurance**

This account should include the company's unemployment insurance contributions in both Canada and the United States.

**46-2-4 Social Security**

**46-3 Office Expense**

This account should be subdivided to show:

**46-3-1 Postage**

**46-3-2 Office Printing and Stationery**

This account should include the cost of all general office printing, stationery and supplies.

**46-3-3 Telephone and Teletype**

**46-3-9 Other Office Expense**

This account should include the cost of repair, maintenance and rental contracts for office machines and equipment, meal allowances, travelling expenses, subscription to trade and professional periodicals, newspapers, janitor and cleaning supplies, towel services, etc.

**46-4 Head Office Rent**

**46-5 Legal and Audit Expense**

This account should include the professional fees and expenses of lawyers and accountants.

**46-6 Bad Debts**

**46-7 Sundry Administrative Account**

This account should include association fees and dues.

**46-8 Charitable Donations**

**46-9 Interest**

This account should include bank interest, mortgage interest and equipment lien note interest.

**46-0 Bank Charges**

This account should include exchange, calculation service and general bank charges other than interest.

**47 Depreciation**

This section should include depreciation on depreciable assets and be subdivided as follows:

**47-1 Depreciation on Motor Carrier Operating Property**

This account should be subdivided to show:

**47-1-1 Buildings**

**47-1-2 Revenue Equipment**

**47-1-3 Other Automotive Equipment**

**47-1-4 Shop and Garage Equipment**

**47-1-5 Furniture and Office Equipment**

**47-1-6 Other Equipment**

**47-1-7 Improvements to Leasehold Property**

**47-2 Depreciation on Motor Carrier Property Leased to Others**

**47-3 Depreciation on Non-Motor Carrier Operating Property**

**5 Profit or Loss on Disposal of Fixed Assets**

This account should be subdivided to show separately profits or losses on disposal of each class of fixed assets as set forth in accounts 13-1; 13-2 and 13-3.

**6 Other Income and Expense Accounts**

This account should be subdivided to show:

**61 Interest and Dividend Income**

**62 Discount on Purchases**

**63 United States Exchange Premiums or Discounts**

**64 Provision for Income Taxes**

This account should include provision for federal, provincial and foreign income taxes.

**69 Other Income and Expense Accounts.**

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