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TO ASSIST IN
COMPLETING FINANCIAL
STATEMENTS



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

CANADA—DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
EDUCATION STATISTICS BRANCH

MANUAL FOR SCHOOL SECRETARY-TREASURERS



TO ASSIST IN
COMPLETING FINANCIAL
STATEMENTS



Published by Authority of the Hon. James A. MacKinnon, M.P.
Minister of Trade and Commerce



OTTAWA
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PREFACE

On December 14-16, 1942, a conference was held in Ottawa between representatives of all the provincial Departments of Education and the Dominion Bureau of Statistics, with a view to increasing the completeness and comparability of records concerning the provincial school systems. The basic proposals put before the conference for discussion were the result of more than two years preparatory work financed by the Canadian Council for Educational Research and the Dominion Bureau of Statistics.

Various alterations in the proposed plans were suggested by the conference, and it was left to two continuing committees, one on financial statistics, one on statistics other than financial, to revise the proposals in the light of the discussions. Each of the committees was further directed to prepare a manual of instructions to accompany a standard set of report forms, which could be used as the basis for the collection of statistics in all provinces.

This manual presents the results of the work of the Committee on Financial Statistics, which had the following membership:

- G. P. HILLMER (*Chairman*), Stamford Collegiate Institute, Niagara Falls.
- A. M. CAMPBELL, Statistics Service, Ontario Department of Education.
- S. GASCON, Director, Quebec Bureau of Statistics.
- J. E. HOWES, Research Department, Bank of Canada.
- H. W. JAMESON, Superintendent of Educational Training, Department of Pensions and National Health.
- J. H. LOWTHER, Finance Statistics Branch, Dominion Bureau of Statistics.
- J. E. ROBBINS, Education Branch, Dominion Bureau of Statistics.

With the aid of a grant from the Canadian Council for Educational Research, Mr. Hillmer conducted the deliberations of the Committee from the time of the December conference until July, 1943, when he joined the staff of the Dominion Bureau of Statistics for the summer months. In July he completed the first draft of this

manual, and in August visited the Departments of Education in Ontario and the Western Provinces to discuss it in detail. At the same time Mr. Lowther discussed the draft with the Departments of Education in the Maritime Provinces and Quebec and with the Quebec Bureau of Statistics. Revisions pursuant upon these discussions and some further correspondence have resulted in bringing the manual into its present form.

It is earnestly hoped by those who have collaborated in its preparation that the basis of financial reporting set out in this manual may meet with early adoption by all provinces.

S. A. CUDMORE,

Dominion Statistician.

Dominion Bureau of Statistics,
DECEMBER 16, 1943.

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INTRODUCTION

This manual has been prepared to assist school secretary-treasurers in making out the forms which are illustrated.

It is realized that a large number of small school units maintain simple records; it is the exception to find the books of account kept on the double-entry principle. Therefore an effort has been made to keep the explanations and examples as simple as is consistent with good accounting practice.

It should be noted that school officials are expected to record only those items which are within the scope of their operations; it is not expected that reporting bodies will have information to record in every section of a given report.

The financial forms described and illustrated in this manual have been designed to enable the school authorities to secure a complete picture of the financial aspects of education in Canada. To this end it is important that every school should report its information with a uniformity of terminology and interpretation. To assist in this practice, a glossary of the terms commonly used is included.

The recent "Report of the Survey Committee" of the Canada and Newfoundland Education Association is of considerable interest to those officials entrusted with responsibility for the operation of schools. It is pointed out that the extension of democracy in education—equality of educational opportunity to all—is not possible in Canada without a redistribution of the financial burden. In the summary of resolutions in the final chapter of the report appear the following:

"Measures should be taken to free school boards from capital expenditures so that their annual revenues may be devoted to the main items of teachers' salaries, equipment and maintenance."

"School moneys should be secured from all sources where the present-day wealth of the people is found and not from levies on real property."

"Taxes, wherever levied, should be abolished from the elementary and secondary schools."

"The practice of apportioning legislative grants according to need should be continued and extended."

It is apparent that any such changes in financial practice would need to be based upon accurate statistical data. This need has been kept constantly in mind in the construction of the forms which are presented in this manual.

Of late, greater emphasis is being placed upon certain aspects of education which are called auxiliary services. The state is showing

an increased concern for the well-being of its citizens which is reflected in the growth of medical and health services in the schools. Transportation of pupils makes available the advantages of the larger school unit and access to secondary schools. The present forms are designed to indicate these educational trends, and to make possible the comparison of educational programs, facilities and costs between different school units.

The operation of schools is one of the most important municipal activities. It should, perhaps, be pointed out that the municipal authorities throughout Canada have adopted standardized reporting forms and nomenclature, but they do not include information relating to the operation of the schools. This has been left, rightly enough, to the school authorities themselves. Therefore the collection of information through the medium of these school forms provides complementary data of value to the schools and municipalities alike.

Nature of Statements

FORM 1—A statement of Revenue and Expenditure, or alternatively, a statement of Receipts and Payments. An explanation of the difference between these two statements may be found on page 11.

FORM 2—A statement of Assets and Liabilities, attached to which is a supplementary form for the use of boards possessing sinking funds and/or trust funds.

FORM 3—A statement of school debenture debt (a) An analysis of the nature of the debenture debt, (b) An analysis of future debt charges by years, (c) The average rate of interest on unmatured debenture debt. The three parts of this statement are of interest only to those school boards which issue their own debentures. Where debentures for school purposes are issued by the municipality, this information is reported by the municipal clerk.

FORM 4—A statement of Taxes Levied by the School Board. This information is not reported by the secretary-treasurer if the taxes for school purposes are levied by the municipality.

FORM 5—A statement of Assessed Valuation and Taxes Levied Thereon for School Purposes.

FORM 6—A statement of the Cost of Pupil Transportation at Public Expense. This form is made out only by boards that provide or pay for the transportation of pupils.

Note that Forms 1, 2 and 5 are required from all boards; 3, 4 and 6 affect relatively few schools. Note also that schools reporting, say, on Forms 3 and 4 may not be concerned with Form 6.

Explanations of Statements

Each item on the forms is explained in some detail, and where there is a possibility of confusion simple illustrations have been used.

To assist in referring to the items, they have been numbered. However, it should not be inferred that the numbers used on one form bear a relationship to the same numbers on other forms.

Provincial Practice

Slight variations in these forms may be introduced by the individual provinces. For example, it may be considered desirable to itemize tax arrears by years. Such a practice, it will be noted, does not alter the fundamental structure of the statements as presented in this manual.

In certain provinces it may be the practice, or may become the practice in future years, to keep up-to-the-minute information on certain topics which are covered by the forms presented here. For example, a province may keep detailed files on all schools which issue their own debentures. In such a case they would have the data asked for in Form 3, and it would be unnecessary for them to seek this information from the schools.

Appendix A—Glossary

In accounting practice certain terms have well defined meanings. Frequently, however, the same terms are used by the layman with dissimilar meanings; and terminology may differ in meaning between different localities and different occupations. In order to prevent confusion, and to ensure comparability of data, a glossary has been added to the manual.

In cases where more than one term is applied to the same thing, the term having widest acceptance in accounting is used and defined; the less generally accepted terms are included and are referred to the definitions already given. For example, "Debt Charges" is defined; under "Debt Service" will be found a reference to "Debt Charges".

Appendix B—Books of Account

The large school systems maintain double entry bookkeeping and accounting records in charge of specialized accounting staffs. They will have no difficulty in adapting their accounts to the demands of the statements in this manual.

For the assistance of the smaller school units, several simple records are illustrated. While it is not suggested that all schools should attempt to use the same books of account, for each has its own conditions and problems, it is hoped that the samples given will assist secretary-treasurers in designing records to fill their individual needs.

1. **Cash Receipts and Cash Payments Book**—In addition to columns for recording the total receipts and total payments, this book has a number of distribution columns which yield totals corresponding to the main headings of the Receipts and Payments Statement.

2. **Property and Equipment Catalogue**—This book is for the purpose of recording all property and equipment at its original purchase price. When the equipment is discarded, traded-in or sold, the amount is recorded in another column, so that the differences between the two money columns will afford the value, at original cost price, of all property and equipment on hand. This is of great assistance in preparing the Statement of Assets and Liabilities.

3. **Payroll Summary Sheet**—To record the salary and wages of employees, the various deductions, and the net amount paid to each.

4. **Individual Earnings Record**—To give the complete record of gross earnings, deductions and net pay for each employee, and to include any additional personnel information that may be desired.

5. **Insurance Record**—To list all insurance policies, their date and amount, the term or life, the type of insurance and the property protected; also to disclose the premium cost by years.

REVENUE AND EXPENDITURE OR RECEIPTS AND PAYMENTS

It is extremely important to distinguish between these two statements; in practice they are frequently confused.

"Receipts and Payments" gives the record of the cash which is actually received and paid out during the fiscal period, with the balances on hand at the beginning of the year and at the end. It is, in effect, a summary of the transactions which are entered in a cash book.

It is apparent that such a statement does not disclose the true revenue for the period. Part of the cash received may be arrears of taxes from other years, while some of the current year's taxes may not yet be collected. The same thing is true of other cash receipts. Amounts of money are recorded as receipts if they are borrowed, and yet they are not revenue, for they have the effect of increasing indebtedness.

Similarly, the payments side of the statement is merely a record of the cash disbursed. It may not represent the actual cost of education for the current period. Some of the payments may be for liabilities which were carried forward from the preceding financial period, while other payments may be made in advance for costs of the succeeding period.

If all moneys were collected, all accounts and other liabilities paid off, and no borrowing was done in the financial period, then the statement of receipts and payments would disclose the actual revenue and expenditure of the period, except for the balance of cash on hand at the beginning of the financial period.

It is apparent that the Revenue and Expenditure Statement is the more desirable, since it reflects the true revenue and costs of the period under review. It should be secured wherever feasible.

STATEMENT OF REVENUE AND EXPENDITURE

Revenue

1. *Gross Provincial Grants*

Include provincial grants for equipment, salaries, or any other purposes for which grants are ordinarily paid. Exclude grants or supplements paid directly to the teachers by the provincial authorities. Exclude also advances from the Province on account of taxes which have been handed over to Provincial authorities for collection.

FORM 1A—REVENUE AND EXPENDITURE ACCOUNT

REVENUE

1.*GROSS PROVINCIAL GRANTS.....		\$	_____
2. TAX REVENUE—			
21. Taxes levied by municipality.....	\$	XXXXXXX	_____
22. Taxes levied by school authority.....		XXXXXXX	_____
23. Penalties or interest on taxes.....		XXXXXXX	_____
3. COUNTY GRANTS.....			_____
4. OTHER MUNICIPAL GRANTS.....			_____
5. REVENUE FROM OTHER SCHOOL BOARDS.....			_____
6. TUITION FEES—			
61. From resident pupils.....		XXXXXXX	_____
62. From non-resident pupils.....		XXXXXXX	_____
63. From municipalities.....		XXXXXXX	_____
7. OTHER REVENUES (specify)—			
71. _____		XXXXXXX	_____
72. _____		XXXXXXX	_____
73. _____		XXXXXXX	_____
74. _____		XXXXXXX	_____

8. TOTAL REVENUE.....		\$	_____
9. SURPLUS FROM PREVIOUS YEARS (if used).....			_____
10. DEFICIT.....			_____
11. TOTAL.....		\$	_____
			XXXXXXX

*PROVINCIAL GRANT were made up as follows:—

GROSS GRANT.....	\$	XXXXXXX	
Less—			
Superannuation deduction.....	\$	XXXXXXX	
Federation fees.....		XXXXXXX	
Premium on treasurer's bond....		XXXXXXX	
			XXXXXXX
Net Grant Received by Board.....	\$	XXXXXXX	_____

FOR THE FISCAL YEAR ENDED _____, 19____

EXPENDITURE

1. ADMINISTRATION-- (include secretary-treasurer's salary and premium on bond; clerical assistants' salaries; attendance enforcement; sup- plies; and other administration expense).....		\$ _____
2. INSTRUCTION-- (include salaries of teachers, inspectors and supervisors; clerical salaries; library books; instructional supplies; and other instructional expense).....		_____
3. PLANT OPERATION AND MAINTENANCE-- (include caretaking salaries and supplies; fuel, light, water, telephone, ice; repairs and replacement to buildings, furniture and equipment; insurance, rent; other opera- tion and maintenance expense).....		_____
4. AUXILIARY SERVICES--		
41. Medical and health services.....	XXXXXXX	
42. Transportation of pupils.....	XXXXXXX	
43. Other auxiliary services including cafe- terias, cost of boarding pupils, etc.....	XXXXXXX	_____
5. TUITION PAYMENTS TO OTHER BOARDS.....		_____
6. CAPITAL EXPENDITURES PROVIDED OUT OF REVENUE-- (include land and buildings; furniture and equipment, not replacements; transportation equipment).....		_____
7. DEBT CHARGES--		
71. Debenture debt charges--		
711. Interest.....	XXXXXXX	
712. Principal instalments.....	XXXXXXX	
713. Sinking fund requirements.....	XXXXXXX	
72. Mortgages--		
721. Interest.....	XXXXXXX	
722. Principal instalments.....	XXXXXXX	
73. Interest on short term borrowings, ex- change and other bank charges (also include discount on taxes).....	XXXXXXX	_____
8. TOTAL EXPENDITURE.....		\$ _____
9. DEFICIT FROM PREVIOUS YEAR (if provided for out of revenue).....		_____
10. SURPLUS.....		_____
11. TOTAL.....		\$ <u>XXXXXXX</u>

IN THIS SCHOOL DISTRICT THE TAXES ARE LEVIED BY:

The Board..... The Municipality...

‡Debtenture Borrowing is done by
The Board..... The Municipality...

} Indicate with an
x

In some provinces deductions are made from the provincial grants for superannuation on teachers' salaries and other purposes, and the school board receives the net amount. The true revenue is the gross amount of the grant, and should be recorded. For example:

Net Grants (amount actually received).....	\$ 8,950
Superannuation deducted from grants.....	1,000
Premium on treasurer's bond deducted from grants.....	50
Gross Grants	<u>\$10,000</u>

Show the \$10,000 as revenue, and supplement this information by filling in the footnote at the bottom of the statement.

2. Tax Revenue

21. Taxes levied by the municipality for the school board. The municipality may make payments on interest and principal of school debentures. The amounts applicable to the fiscal year should be reported as tax revenue under item 21, and as expenditure under item 7, Debt Charges. In Manitoba the revenue from the general municipal levy should be shown separately from the revenue produced by the special levy.

22. Taxes levied by the school authority, whether collected by the School Board or the Province.

23. Penalties or interest on taxes.

Note that arrears of taxes are not revenue of the current period. Tax collections or receipts would not correspond to revenue unless there were no arrears and all the current year's levy were collected. Note the following:

Tax arrears.....	\$ 3,000
Current Tax Levy.....	77,000
Tax Collections in Period.....	79,000

In this illustration, all the arrears were collected, plus \$76,000 of the current levy. There are arrears of the current period amounting to \$1,000. In Statement 1A the amount of revenue would be the levy, \$77,000; but in Statement 1B the amount of the receipts would be shown at \$79,000.

3. County Grants

This item applies only to school authorities in New Brunswick and Ontario. It should include all moneys received from counties as contributions or grants toward the support of local schools, and in Ontario contributions for the cost of educating county pupils.

4. *Other Municipal Grants*

Include all other grants and revenues from municipal authorities, e.g., Ontario township school grants and contributions from the Municipal School Fund in Nova Scotia. Exclude items mentioned in 5 and 6 following.

5. *Revenue from Other School Boards*

Include all revenues from other school boards made directly to the reporting school board, or to the municipal council on behalf of the reporting board. Such payments are made usually for the cost of tuition at secondary schools and technical institutes which provide educational facilities lacking in neighbouring school areas. Such revenues may also be for transporting pupils, etc.

6. *Tuition Fees*

A tuition fee is an arbitrary charge made for instruction, not necessarily reflecting the cost of pupil education. Fees should be classified according to whether paid by residents or non-residents of the area taxed for the support of the school. If a municipality (not the school board in another municipality) pays fees for its students to attend a neighbouring school, these revenues would be included in item 63.

7. *Other Revenues*

Include revenues from all other sources, such as rents on school properties, donations and endowments, interest on bank balances and investments, profits on cafeterias and book stores, receipts from the sale of products made or produced in the school, such as furniture made in the shop, farm produce from agricultural departments, etc.

Do not include in this group receipts of money which are non-revenue in nature. Non-revenue receipts are those which either incur an obligation which must be met at some future date or which change the form of an asset from property to cash and therefore decrease the amount and the value of school property. Money received from loans, sale of bonds, sale of property, etc., constitute most of the non-revenue receipts.

Do not include proceeds of activities in the school such as literary, dramatic and musical societies, sports activities, etc., unless they are paid directly to the school board. Do include, however, all gifts and donations made by these organizations to the funds or equipment of the school.

8. *Total Revenue*

The total of all revenue of the current year's operations. This is the total of items 1-7 inclusive.

9. *Surplus from Previous Years*

The surplus from previous years' operations is not revenue of the current year. However it may be used, either wholly or in part, in meeting the obligations of the current year. The portion so employed is indicated in item 9.

10. *Deficit*

The amount by which the totals of items 8 and 9 of the expenditures exceeds the totals of items 8 and 9 of the revenues.

Expenditure

Expenditure represents the charges which are properly applicable to the current year's operations. It does not include payments for accounts owing from previous years, or payments made in advance for operations of a later period.

Expenditure shows the true cost of operating the school unit for a particular period, while payments (Receipts and Payments statement) show only the amount of cash which has been paid out during that time.

1. *Administration*

The small school has very few expenses to include in this section—the secretary-treasurer's salary or honorarium, the premium on his bond, stationery and postage, telephone expense, and other incidentals.

The larger units may have administrative officials such as business managers, superintendents, accountants, purchasing agents. These officials are not concerned with instruction. Their salaries, and the salaries and wages of their clerical and stenographic assistants are included. Do not include such clerical assistants who work for principals, inspectors, supervisors, teachers, or any other persons whose duties are instructional.

Include expenditure for travel and for materials and supplies used for administration. Supplies are ink, pencils, paper, accounting books and forms and other material which are consumed upon use or which do not ordinarily last more than one year. Add costs for freight and cartage.

Include costs of auditing the books, legal fees, and other expenses of an administrative nature.

Since attendance enforcement is compulsory in all provinces of Canada, the costs of salaries, transportation and other expenses of attendance officers (unless they are officials paid by the municipal authorities) are considered to be administrative.

2. *Instruction*

Report expenditures for activities concerned directly with teaching, aiding of teaching, or improving the quality of teaching.

These are the activities of supervisors, inspectors, principals and teachers, and the clerical, stenographic and other help they require in their duties. All such salaries are included if 50 per cent or more of their time is devoted to instruction.

Also include the salaries of guidance officers, librarians, psychologists, and the salaries of doctors and nurses if their work consists of instruction in matters of health. Otherwise the last two groups would be listed under "Medical and Health Services (Auxiliary Agencies)."

All salaries and wages should be recorded gross—the amount before deductions for superannuation, income tax, etc., have been made. Where applicable, the cost-of-living bonus should be added; if additional information is desired by the province concerning the amount of such bonus, it may be added as a footnote to the form in use in that province.

If the school board makes a contribution to the pension fund, or provides benefits to supplement the regular pension fund, the amount of such contributions is considered an addition to salary.

Care should be exercised to distinguish between supplies and equipment. Supplies are items which do not normally have a life of over one year, or are consumed in using. Equipment is of a more permanent nature. Test tubes used in a science laboratory are instructional supplies; an electric motor used for teaching science is instructional equipment.

Library books are included in expense rather than equipment. It is always possible to appraise the value of the library by taking inventory; a catalogue kept up to date makes the task easier. (See suggested form of property catalogue in Appendix A.)

Text books supplied free to students are charged to expense, or at least the portion used up during the year.

Report as teaching supplies all materials used in the classroom for aiding or improving teaching.

Expenses incidental to school gardens and fairs are part of the cost of agricultural instruction.

The costs of maintaining and operating recreational and athletic facilities should be charged to instruction.

Other expense will include expenditures for scholarships, prizes, diplomas, commencement exercises, assembly speakers, exhibitions, music and art festivals, plays, cadet corps, etc., and materials and expense connected with school libraries.

3. *Plant Operation and Maintenance*

Under operation and maintenance report: Salaries and wages of janitors, building superintendents, engineers, firemen, watchmen, painters, plumbers and carpenters and other employees of the Board

(including amounts deducted for income tax, pensions, unemployment insurance); supplies such as brooms, mops, sweeping compounds, soap, dusters, paper cups and towels, electric light bulbs; toilet and other supplies which are not expected to last more than a year; fuel, such as coal, gasoline, fuel oil and wood; including freight, drayage and labour involved in securing it; water, power, light and ice; all supplies for painting and repairing the buildings; contract expenditures for repairs and maintenance.

If additional values, not merely fluctuations in price, and increased efficiency result through replacements, these should be charged to capital outlay in the amount of such excess or additional value. For example, if a desk inventoried at \$15 is replaced by one worth \$35, \$15 is charged to maintenance and \$20 to capital outlay. Again, the cost of grading and seeding a lawn for the first time is charged to capital outlay; the cost of reseeding a portion of it that has been destroyed is charged to maintenance; while the cost of fertilizing or mowing the lawn should be charged to operation.

Since a separate item is carried under auxiliary agencies for transportation, operation and maintenance of such equipment should be reported under "Transportation of Pupils". The total of this item 42 should agree with the total expense for transportation of pupils shown on form 6.

While the premium on fidelity bonds for administrative officials is charged to administration, other types of insurance are reported under plant operation and maintenance, except that insurance on transportation equipment or for protection against claims arising from pupil transportation should be classified under auxiliary agencies—transportation of pupils.

Since much insurance is written for a three-year term, many schools arrange their premiums so that approximately the same amount is payable annually. (See the suggested insurance register in Appendix B.) Large school units may allocate the correct charge to each year's operations by means of prepaid accounts.

4. *Auxiliary Agencies*

Include expenditures for activities closely related to school, although not actually instructional, which are carried on by the school board as services to the pupils.

Medical and Health Services include salaries and other payments to doctors, nurses, dentists, hospitals, etc. Medical supplies, first aid expenses are included. Include all costs of weighing, inspecting and treating, but do not include costs of health work which is direct instruction, or costs of administration.

Do not include costs of health and medical services supplied and paid for by the municipality, the province, or any other agency.

Transportation of Pupils: Include all costs of operating transport systems for pupils. These will include salaries of drivers and mechanics, gas and oil, feed, rental of garage or stable, repairs and replacements to equipment; contract fees for the hiring of transportation facilities; payments made to publicly owned and operated utilities; payments made to students or parents in lieu of transportation. Exclude expenditures for administration and capital outlay for new equipment.

When the school board provides free lunches, board and lodging, dormitories, hostels or other accommodation, or pays cash in lieu of such accommodation, specify under item 43.

Public libraries under the school board should be included in item 43, but not expenditures for library services to the schools rendered by school and/or public libraries. The latter is classed under instruction.

Include expenditures for such other auxiliary agencies and co-ordinate activities as public recreational facilities, community centre activities, etc., under the school board and paid for out of school funds.

In recording revenue-producing auxiliary services such as cafeterias, report only the net cost to the school. That is, if sales amount to \$10,000 and expenses to \$11,000, report the net cost as \$1,000 under "Other Auxiliary Agencies". In the event of a profit on operations, place the amount in Revenue, item 7, and show the nature of the activity.

5. Tuition Payments to Other Boards

Include expenditures made by the board to other schools, or to municipalities on behalf of schools, for the instruction of pupils, transportation of pupils, or other services.

Frequently such payments are made to afford specialized training such as commercial or technical education, when the facilities do not exist in the reporting school. In a few instances a school board will not operate a secondary school, but will arrange to send its secondary students to neighbouring institutions and undertake to pay the costs to the school which provides the instruction.

6. Capital Expenditure Provided out of Revenue

Report as capital expenditure all outlay for anything which increases the value of the school plant, such as new sites, grading, fencing, concreting of school property; new buildings and extensions and alterations to old buildings; and additions to school equipment which are not replacements of broken or worn-out property. Report all improvements which increase the original value of the assets.

Care should be taken not to confuse capital outlay with maintenance and operation.

Replacements of equipment are charged to maintenance; but any replacements which increase the original value of the equipment should be charged to capital outlay. For example, if a furnace is worn out and is replaced, the new furnace is charged to replacements. If small stoves are eliminated and replaced by a central heating plant, the new plant is an addition to the value of the school property, and is called capital expenditure.

A common practice is to acquire plant and equipment through the issue of debentures. This is not capital expenditure provided out of revenue, and should not be included in any amounts recorded in 6.

7. *Debt Charges*

71. *Debenture Debt Charges*—Principal instalments, sinking fund requirements and interest due during the fiscal year.

72. Principal and interest due during the fiscal year on mortgage debt.

73. Interest on bank and other short term loans, exchange and other bank charges and discount on taxes.

Do not include the repayment of principal of short term loans.

If the municipality levies taxes to pay the principal, sinking fund requirements and interest on debentures, such amounts should be shown under Revenue, item 21, and under Expenditure, item 71.

8. *Total Expenditure*

The total of items 1-7 inclusive. This total gives the true cost of administering and operating the school unit for the fiscal period.

9. *Deficit from Previous Year*

The amount of the deficit from previous years' operations provided for from the revenue of the current period.

10. *Surplus*

The amount by which the totals of items 8 and 9 of the revenue exceeds items 8 and 9 of the expenditure.

STATEMENT OF RECEIPTS AND PAYMENTS

This statement may be used by some schools which keep their records largely in the form of cash transactions. "Receipts and Payments"; as explained on page 11, actually summarizes the cash book, but it fails to record the true revenue and expenditure for the period under review.

School secretaries reporting on a cash basis will observe that if, in the fiscal year, all amounts owing to the school board are paid (if there have been no arrears), and all liabilities of the board are retired when due, the statement will approximate the revenue statement, and comparisons based upon the statements will be more valuable. This assumption must be based, of course, on conditions where there have been no borrowings, which would be recorded as receipts but not as revenue.

Although it has been pointed out that Form 1B gives a summary of the cash transactions of the school board, the total cash receipts and payments will be greater than recorded in the cash book if the municipality pays debenture debt for school purposes. In such a case, the municipality has to increase the tax levy for school purposes, although this additional amount is not handed over to the school secretary-treasurer. Under such circumstances, item 3, "Tax Receipts", should be increased by the amount raised for debt charges, and the amount paid by the municipality on debenture debt should be shown under "Debt Charges".

Receipts

1. *Balance of Cash on Hand and in the Bank*

This figure agrees with the balancing figure (payments, item 14) on the statement of the preceding year. It will also agree with the cash balance shown on the Statement of Assets and Liabilities for the preceding year.

2. *Net Provincial Grants*

Provincial grants are shown net—the actual amount of cash received from the province by the school board. In cases where deductions have been made at the source, e.g., superannuation, federation fees, etc., the amounts, including the gross grant, are shown in the footnote at the bottom of the form.

3. *Tax Receipts*

Taxes levied by the municipality for school purposes are indicated in item 31. Include any amounts levied by the municipality for payment of principal, interest or sinking fund requirements on school debentures. In Manitoba receipts from the general municipal levy should be shown separately from receipts produced by the special levy.

Taxes collected by the school authority, or by the Province on behalf of the school, are shown in 32.

Penalties and interest on taxes are included in item 33.

FORM 1B—STATEMENT OF RECEIPTS AND PAYMENTS

For the Fiscal Year Ended _____, 19____

RECEIPTS

PAYMENTS

RECEIPTS	\$	PAYMENTS	\$
1. Balance of cash on hand and in bank at beginning of year.....	_____	1. Bank overdraft at beginning of year.....	_____
2. *Net provincial grants.....	_____	2. Administration (include secretary-treasurer's salary and premium on bond; clerical assistants' salaries; supplies; and other administration expense).....	_____
3. †Tax Receipts—		3. Instruction (include salaries of teachers, inspectors and supervisors; clerical salaries; library books; instructional supplies; and other instructional expense).....	_____
31. From taxes levied by municipality.....	XXXX	4. Plant operation and maintenance (include caretaking salaries and supplies; fuel, light, water, telephone, ice; repairs and replacements to buildings, furniture and equipment; insurance; rent; other operation and maintenance expense).....	_____
32. From taxes levied by school authority....	XXXX	5. Auxiliary services—	
33. From penalties or interest on taxes.....	XXXX	51. Medical and health services.....	XXXX
4. County grants.....	_____	52. Transportation of pupils.....	XXXX
5. Other municipal grants.....	_____	53. Other auxiliary services including cafeterias, cost of boarding pupils, etc.....	XXXX
6. Receipts from other school boards.....	_____	6. Tuition payments to other boards.....	_____
7. Tuition fees—		7. Capital expenditures provided out of operating receipts (include land and buildings; furniture and equipment, not replacements; transportation equipment).....	_____
71. From resident pupils.....	XXXX	8. Debt charges—	
72. From non-resident pupils.....	XXXX	81. †Debtenture debt charges—	
73. From municipalities.....	XXXX	811. Interest.....	XXXX
8. Other operating receipts (specify)—		812. Principal instalments.....	XXXX
81.....	XXXX	813. Sinking fund requirements.....	XXXX
82.....	XXXX	82. Mortgages—	
83.....	XXXX	821. Interest.....	XXXX
		822. Payments on principal.....	XXXX
		83. Interest on short term borrowings, exchange and other bank charges.....	XXXX

RECEIPTS

PAYMENTS

97352-5

9. Total operating receipts.....	_____
10. Bank and other short term borrowings.....	_____
11. Receipts from sale of debentures or mortgage borrowings.....	_____
12. Other non-operating receipts (specify)—	
121.	XXXX
122.	XXXX
123.	XXXX
13. Total receipts.....	_____
14. Bank overdraft at end of year.....	_____
15. Total.....	_____
	<u>XXXX</u>

9. Total operating payments.....	_____
10. Repayment of bank and other short term borrowings.....	_____
11. Capital expenditures out of proceeds from debenture or mortgage borrowings (specify nature)—	
111.	XXXX
112.	XXXX
113.	XXXX
12. Other non-operating payments (specify)—	
121.	XXXX
122.	XXXX
123.	XXXX
13. Total payments.....	_____
14. Balance cash on hand and in bank at end of year.....	_____
15. Total.....	_____
	<u>XXXX</u>

*PROVINCIAL GRANTS were made up as follows:

GROSS GRANT.....	\$ XXXX
Less—	
Superannuation deduction.....	\$ XXXX
Federation fees.....	XXXX
Premium on treasurer's board.....	XXXX
	<u>XXXX</u>
Net Grant Received by Board.....	\$ <u>XXXX</u>

† IN THIS SCHOOL DISTRICT THE TAXES ARE LEVIED BY—

The Board _____

The Municipality _____

} Indicate with an X

‡ Debenture Borrowing is done by:

The Board _____

The Municipality _____

Include in Tax Receipts and Debt Charges amounts levied by the Municipality for the payment of debenture and mortgage debt.

4. *County Grants*

This item applies only to school authorities in New Brunswick and Ontario. It should include all moneys received from counties as contributions or grants toward the support of local schools, and in Ontario contributions for the cost of educating county pupils.

5. *Other Municipal Grants*

Include all other grants and receipts from municipal authorities, e.g., Ontario township school grants, and contributions from the Municipal School Fund in Nova Scotia. Exclude those items mentioned in 6 and 7 following.

6. *Receipts from Other School Boards*

Include all receipts from other school boards made directly to the reporting school authority, or to the municipal council on behalf of the reporting school authority. Such receipts are usually made for the cost of tuition at secondary schools and technical institutes and the cost of pupil transportation.

7. *Tuition Fees*

Fees from residents of the area taxed for the support of the school are included in item 71.

Fees from non-residents are included in 72.

If the costs of tuition fees are assumed by a municipality, they are shown in item 73.

8. *Other Operating Receipts*

Include miscellaneous receipts which arise out of current operations, the everyday affairs of the school as a going concern, such as rents, profit on cafeteria and other services, proceeds from the sale of products of printing and technical departments, etc. Specify the nature of the receipts.

9. *Total Operating Receipts*

The total of items 1-8 inclusive.

10. *Bank and Other Short-Term Borrowing*

Include loans from banks, and other cash borrowing of a temporary nature, whether or not secured by note.

11. *Receipts from Sale of Debentures or Mortgage Borrowings*

Include all receipts from the sale of debentures, whether serial or sinking fund; receipts from the mortgaging of real estate; or any other type of long-term borrowing. Such borrowing is usually for the acquisition of new plant and equipment.

12. *Other Non-Operating Receipts*

Include receipts from the sale of school assets, such as land, buildings, equipment or sinking fund investments; advances made by the municipality (not taxes levied by the municipality for school purposes); premium on the sale of debentures; and all other miscellaneous receipts of a non-operating nature.

13. *Total Receipts*

The total of items 1-12 inclusive.

14. *Bank Overdraft*

This discloses by what amount the balance on hand at the beginning of the period and the receipts of the period fail to meet the payments made. This amount should agree with the overdraft shown in the Statement of Assets and Liabilities, unless there are other short term loans included in that figure.

Payments

1. *Bank Overdraft at Beginning of Year*

This amount agrees with the figure recorded on the Receipts and Payments Statement of the preceding year, item 14 on the receipts side (the balance figure when there is an overdraft at the end of the year). It should also agree with the total shown in Section 1, Liabilities, Revenue Fund Section of the statement of Assets and Liabilities at the end of the previous fiscal period if there were no short-term loans.

2. *Administration Expense*

Salaries, fees, honoraria of secretary-treasurers, trustees, auditors, lawyers, attendance officers, and other administrative officials.

Include also premium on secretary-treasurer's bond, postage, stationery, telephone and other expense of administering the school.

3. *Instruction*

Salaries of teachers, including any amounts deducted for income tax, group insurance, etc. If superannuation on teachers' salaries is deducted from provincial grants at the source, state the salaries less superannuation and complete the details of grants in the footnote of the statement.

Include teaching supplies such as books, scribblers, chalk, etc.

Prizes, diplomas, exhibitions, school fairs and gardens and all other expenses incidental to instruction are included.

4. *Plant Operation and Maintenance*

Include the wages of janitors and caretakers, including any amounts deducted for income tax, unemployment insurance, etc.

Include the cost of all repairs to plant and equipment, whether done by the janitor or under contract; costs of maintaining and operating the school plant, such as brooms, mops, cleaning supplies, paint, toilet supplies, fuel, light, water, ice, electricity, fire insurance, etc.

5. *Auxiliary Agencies*

Auxiliary agencies are services to the pupils other than actual instruction, or services to the community as when the school operates a community playground or a community library.

Under 51 include the cost of all medical and health services, such as payments to doctors and nurses, and medical and first-aid supplies.

Under 52 list all costs of operating vehicles owned by the school, costs of hiring vehicles or using publicly operated ones such as bus or street car lines, and money paid to pupils or parents to enable them to provide their own transportation to the school. These costs are for pupil transportation only.

Include under "Other Auxiliary Agencies" the cost of providing free lunches, the net cost to the school of operating a cafeteria, the cost of providing board or lodging for pupils attending schools at a distance, or money paid in lieu of such accommodation, etc.

6. *Payments to Other Boards*

Tuition, transportation or other payments made to other school authorities.

7. *Capital Expenditures*

The cost of land, buildings or equipment paid for out of operating receipts. If the payment is to replace worn-out or discarded assets, it should be included with plant operation and maintenance.

8. *Debt Charges*

81. Debenture Debt Charges—Principal instalments, sinking fund requirements and interest due during the fiscal year.

82. Principal and interest due during the fiscal year on mortgage debt.

83. Interest on bank and other short term loans, exchange and other bank charges and discount on taxes. Do not include the repayment of principal of short term loans.

9. *Total Operating Payments*

Total of items 1-8.

10. *Repayment of Bank and Other Short-Term Borrowing*

Include repayment of all temporary loans, whether from the bank or other sources.

11. *Capital Expenditure Out of Proceeds from Debenture or Mortgage Borrowings*

Include land and buildings, furniture, fixtures, transportation and other equipment paid for from the proceeds of long-term borrowing. Clearly indicate the nature of the payment. See page 20 for explanation of capital expenditure.

12. *Other Non-Operating Payments*

Include items such as the discount on the sale of debentures, payments of sinking fund debentures through sale of investments, and any other miscellaneous non-operating payments. Clearly indicate their nature.

13. *Total Payments*

The total of items 1-12 inclusive

14. *Balance of Cash on Hand and in Bank at End of Year*

This figure will correspond to that shown on the statement of Receipts and Payments for the following period under "Receipts", item 1.

It will also be the figure shown in the Statement of Assets and Liabilities, Revenue Fund Section, item 1, at the end of the current period of operation.

STATEMENT OF ASSETS AND LIABILITIES

The statement of Assets and Liabilities is divided into three sections. Part 1 and 2 are shown on pages 30-31, and are filled in by all reporting School Boards. Part 3, shown on page 35, is completed only by those Boards possessing sinking funds or trust funds.

1. *Capital and Loan Fund Section*

This includes all assets of a fixed or capital nature—that is, those possessing a long life; and all long-term liabilities such as debentures and mortgages not due. The excess of the assets in this section over the liabilities is the investment in capital assets.

2. *Revenue Fund Section*

Assets of a current nature, arising from the revenue-producing activities of the school; the liabilities are also current—those normally payable in the financial period immediately following the date of the statement. The excess of the assets over the liabilities in this section is called the surplus; if the liabilities are greater in amount than the assets there is a deficit.

3. *Sinking and Trust Fund Section*

(See page 35.) This section is used only by the schools which have sinking or trust funds. Sinking funds are set up for the purpose of accumulating moneys over a period of years in order to have them available for the redemption of long-term indebtedness at the date of maturity. The money so accumulated is usually invested in high-grade securities, and it is important to reinvest the interest promptly when received.

In order to exclude duplicate assets and liabilities, payments owing to sinking funds should be indicated specifically in the revenue fund section; and in the sinking fund section amounts owing from the revenue fund should be specified.

CAPITAL AND LOAN FUND SECTION

Assets

1. *Land and Buildings at Cost*

There are three bases on which the value of school property may be estimated: (1) original cost; (2) replacement value; (3) present value.

The original cost is the most accurate value, is the most easily ascertained, and represents what a given piece of property cost the

community. The original cost, however, does not take depreciation into account, but in many cases this factor is offset by appreciation or increased value, particularly in the case of real estate. To secure accurately the values of appreciation and depreciation is virtually impossible, and is not contemplated in school accounting.

Therefore the method used in reporting is the original cost plus the cost of all improvements and additions. This does not include the cost of repairs and replacements which maintain the plant and equipment in its original condition.

If records of original cost have been lost, a reasonable estimated valuation should be established. Land includes all school sites and additions to school sites; improvements to sites, playgrounds, athletic fields, etc.; and all costs of acquiring title to such lands.

Buildings includes all costs incidental to the erection of the building, the construction and installation of plumbing, heating, lighting, ventilating, built-in lockers, etc., and all expenditures for architects' and legal fees chargeable to new building costs.

All new facilities, such as additional classrooms, gymnasiums, and completion of unfinished portions of the building are included, as well as improvements which increase the life or efficiency of the building.

2. Furniture and Equipment at Cost

Furniture includes the purchase price of new items such as desks, tables, cupboards, chairs, filing cabinets, racks, stands, etc. It does not include the cost of replacing worn-out or obsolete equipment at the same cost (see note re replacements on page 18).

Equipment includes typewriters, duplicating and adding machines, electric fans; physical, chemical, biological and other laboratory equipment; machinery, tools, and other similar equipment, whether for technical education or for use in the school building; playground and gymnasium apparatus; buses and other transportation equipment.

Do not include supplies, which have been defined previously as those goods which are normally used within a year or are consumed when used.

3. Other Assets

Specify any fixed assets not included in 1 and 2 above, such as cash and investments accumulated for future building. Do not include sinking and trust funds; they are recorded in Section 2, "Sinking and Trust Fund Section", page 35.

Liabilities

1. Debenture Debt Not Due

Distinguish clearly between debentures, either serial or sinking fund, which are issued by the municipality and by the school authority. Only debenture debt unmaturing should be included;

FORM 2.—STATEMENT OF ASSETS AND LIABILITIES

AS AT _____, 19____

I—CAPITAL AND LOAN FUND SECTION

ASSETS	\$	LIABILITIES	\$
1. Land and building at cost.....	_____	1. Debenture debt (not due).....	_____
2. Furniture and equipment at cost.....	_____	11. Debentures issued by municipality.....	_____
3. Other assets (specify)—		12. Debentures issued by school authority.....	_____
31.	_____	2. Mortgages.....	_____
32.	_____	3. Other liabilities (specify)—	
		31.	_____
		32.	_____
4. Total.....	_____	4. Investment in capital assets.....	_____
		(excess of assets over liabilities).	
		5. Total.....	_____

30

II. REVENUE FUND SECTION

ASSETS	\$	LIABILITIES	\$
1. Cash on hand and in bank.....	_____	1. Short term loans and overdrafts—	
2. Account and rents receivable.....	_____	11. Principal.....	_____
3. Due from other school boards.....	_____	12. Interest.....	_____
4. Due from municipalities.....	_____	2. Arrears of teachers' salaries.....	_____
5. Due from province.....	_____	3. Accounts payable.....	_____
6. Taxes levied by school board due and unpaid (including penalties or interest).....	_____	4. Debentures and coupons due and unpaid—	
		41. Principal.....	_____
		42. Interest.....	_____

7. Other assets (specify)—

71.

72.

73.

8. Deficit (excess of liabilities over assets)—

9. Total

5. Due to other school boards.

6. Due to municipalities

7. Due to province

8. Other liabilities (specify)—

81.

82.

9. Surplus (excess of assets over liabilities)

10. Total

debentures which are due and payable should be recorded in the revenue fund section.

2. *Mortgages*

The few schools which borrow on mortgages should distinguish them from debentures by placing them in this section.

3. *Other Liabilities*

Any long-term indebtedness not included in 1 and 2 above. Specify its nature.

4. *Investment in Capital Assets*

The excess of capital assets over capital liabilities.

REVENUE FUND SECTION

Assets

1. *Cash on Hand and in Bank*

Balances in bank accounts and any cash on hand, including the amounts of any petty cash funds. Do not include balances of cash of athletic and literary societies, etc., unless such accounts are handled through the books of the school board, or are transferred to the school board, in which case they would appear also under receipts or revenues in Form 1A or 1B.

The total of cash agrees with item 14 on the payments side of Form 1B for the period under review, if the school reports on a cash basis.

2. *Accounts and Rents Receivable*

Include all rentals for school property and equipment which are due and unpaid; also any accounts receivable, other than those enumerated in the following classifications.

3. *Due from School Boards or from Municipalities on behalf of School Boards*

Include all moneys due from other school boards for tuition, transportation, or other services; also money paid to the municipal authorities on behalf of a school board for such services which has not yet been transferred to the reporting board.

4. *Due from Municipalities*

All grants, tuition charges, and other payments due from the municipalities (do not include amounts owing from the municipality on behalf of other school boards); all taxes levied by the municipality for school purposes and not yet transferred to the school board.

5. *Due from the Province*

The gross amount of provincial grants and other moneys due from the province but unpaid.

6. *Taxes Levied by School Board*

The balance of taxes levied directly by the School Board, in both the current and previous years, which are unpaid at the end of the current fiscal year.

7. *Other Assets*

All other assets of a current nature. Where a school board sets up accrued assets and deferred charges, they should be included here. Also include amounts due from other funds. The exact nature of these assets should be indicated and care should be taken to see that no asset is included here which should properly be shown under any of the items above.

8. *Deficit*

The amount by which the liabilities (items 1-8) exceed the assets (items 1-7).

Liabilities

1. *Short-Term Loans and Overdraft*

Include all short-term loans, whether or not secured by note, and bank overdraft. Interest and principal should be shown separately. If there is only an overdraft it will agree with item 14 on the receipts side of Form 1B (of the current period) for schools reporting on a cash basis.

2. *Arrears of Teachers' Salaries*

Include all arrears of teachers' salaries, whether or not secured by promissory note.

3. *Accounts Payable*

All accounts owing to contractors, tradesmen, etc. for goods, services, rents, etc.

4. *Debentures and Coupons Due and Unpaid*

The interest coupons and principal instalments on debentures issued by the School Board which have fallen due but have not been paid up to the close of the current fiscal year. Amounts of principal and interest should be shown separately under items 41 and 42 respectively.

5. *Due to Other School Boards*

Amounts owing to other school boards, or to municipalities on behalf of school boards, for costs of tuition, transportation, etc.

6. *Due to Municipalities*

Advances and other moneys owing to the municipalities; do not include amounts due on behalf of other school boards (item 5).

7. *Due to Province*

Any advances from the province repayment of which is due, or other moneys due provincial bodies.

8. *Other Liabilities*

Include amounts owing to sinking and trust funds as yet unpaid; all other current liabilities not included above. Specify their nature.

9. *Surplus*

The amounts by which the assets (items 1-7) exceed the liabilities (items 1-8).

SINKING AND TRUST FUND SECTION

Assets

1. *Sinking Funds*

Include in 11 all cash, bonds, debentures and other investments.

In 12 include accrued and past due interest, and other assets such as amounts owing to the sinking fund from revenue but as yet unpaid. Specify the nature of items listed under 12. The deficit, item 13, represents the amount by which the assets fail to balance the Reserve for Retirement of Sinking Fund Debentures and other liabilities of the Fund.

Liabilities

Item 11, Reserve for Retirement of Sinking Fund Debentures is the amount of resources that should be on hand in the Sinking Fund at the close of the fiscal period; that is frequently referred to as the actuarial requirement of the Sinking Fund.

Under item 12 list any liabilities of the sinking fund, such as temporary borrowings for the payment of sinking fund debentures pending the sale of securities held as investment in the sinking fund. Specify the nature of all liabilities under item 12.

The surplus, item 13, is the amount by which the cash, investments and other assets of the fund exceed the Reserve for Retirement of Sinking Fund Debentures and other liabilities.

2. *Trust Funds*

Trust funds, although not common in school operation, are sometimes created by gift of endowment. In Alberta the cash balances of the schools entering a Division are retained in trust for a period of three years.

The details of trust funds are entered under 2 of the Sinking and Trust Fund Section.

III—SINKING AND TRUST FUND SECTION

AS AT _____ 19____

(NOTE.—Section III of the Statement of Assets and Liabilities will be used only by school boards that have sinking or trust funds.)

ASSETS

LIABILITIES

1. Sinking Fund—

- 11. Cash and investments \$ _____
- 12. Other (specify)—
 - 121. _____
 - 122. _____
 - 123. _____
- 13. Deficit..... _____
- 14. Total _____

1. Sinking fund—

- 11. Reserve for retirement of sinking fund debentures..... \$ _____
- 12. Other (specify)—
 - 121. _____
 - 122. _____
 - 123. _____
- 13. Surplus..... _____
- 14. Total..... _____

2. Trust fund—

- 21. Cash and investments _____
- 22. Other (specify)—
 - 221. _____
 - 222. _____
 - 223. _____
- 23. Total..... _____
- Total..... _____

2. Trust Fund—

- 21. Trust balances..... _____
- 22. Other (specify)—
 - 221. _____
 - 222. _____
 - 223. _____
- 23. Total..... _____
- 3. Total..... _____

Assets

21. The total of cash, bonds, debentures and other investments.
22. Amounts due from revenue and other funds, accrued interest on investments, and all other assets of the Trust Fund. Specify their nature.
23. The total of items 21 and 22.

Liabilities

21. The total of the trust balances, which represent the liability of the fund in respect to the trusts created.
22. Amounts owing by the fund at the end of the fiscal period. Specify their nature.
23. The total of items 21 and 22.

ANALYSIS OF CASH AND INVESTMENTS IN SINKING AND TRUST FUNDS

This analysis is simply a list of the cash and investments which make up the sinking and trust funds. For greater classification, separate columns are provided for sinking fund and trust fund assets.

Cash

Cash on hand bears no interest; cash in the bank yields a very low interest rate. Sound management of sinking and trust funds calls for the rapid reinvestment of all cash receipts to the funds.

Investments

21. Issued or guaranteed by the Dominion of Canada.
22. Issued or guaranteed by the Provinces of Canada. Specify the province by name.
23. Issued or guaranteed by municipalities.
24. Issued or guaranteed by the reporting school authority. If the school board has issued debentures at an interest rate higher than the prevailing rate on securities it might buy for its sinking funds, it may be profitable to buy in its own debentures. The provincial statutes should be checked to see if this practice is permissible.
25. Issued or guaranteed by other school corporations.
26. All other investments of the funds.

**SUPPLEMENT TO FORM 2—ANALYSIS OF CASH AND INVESTMENTS IN
SINKING AND TRUST FUNDS**

(NOTE.—This form will be used only by school boards that have sinking or trust funds.)

Detail (1)	Sinking Fund (2)	Trust Funds (3)
	\$	\$
1. Cash.....		
2. Investments (issued or guaranteed by)—		
21. Dominion Government.....		
22. Provincial Governments (specify province)—		
221. _____		
222. _____		
223. _____		
23. Municipalities.....		
24. Own school corporation.....		
25. Other school corporations.....		
26. Others.....		
6. Total.....	\$	\$

STATEMENTS CONCERNING DEBENTURE DEBT AND DEBENTURE CHARGES

This statement will be submitted only by those school boards which issue their own debentures.

ANALYSIS OF DEBENTURE DEBT

1. *Serial Debentures*

The amount of serial debentures which have been sold and which have not yet matured.

2. *Sinking Fund Debentures*

The amount of sinking fund debentures sold and not yet matured. In reporting this figure, do not deduct the sinking fund which has been accumulated for the retirement of the debentures.

3. *Total Unmatured Debt*

The total of items 1 and 2 above. Any debentures which have matured but which have not yet been paid should be excluded from these amounts; they are included in the liabilities of the Revenue Fund, not the Capital and Loan Fund.

4. *Reserve for Retirement of Sinking Fund Debentures*

The actuarial requirements of sinking funds in respect of sinking fund debentures listed in item 2 above. If there is a surplus or deficit in the sinking fund, report the value of the sinking fund assets less any liabilities.

5. *Net Unmatured Debt*

The total unmatured debt on account of all debentures sold, less the value of the sinking fund accumulated to retire sinking fund debentures. This is item 3 minus item 4.

6, 7 and 8

These items are for memorandum purposes only. Unsold debentures are not a liability of the school board, but it is important to know the amount which may be sold without further authorization.

FORM 3 (a)—ANALYSIS OF DEBENTURE DEBT

AS AT _____ 194_____

(NOTE.—Form 3 will be used only by school boards that issue their own debentures.)

	\$	\$
1. Serial debentures	_____	_____
2. Sinking fund debentures	_____	_____
3. Total unmatured debt (excluding unsold debentures)	_____	_____
4. Reserve for retirement of sinking fund debentures	_____	_____
5. Net unmatured debt (excluding unsold debentures)	_____	_____
6. Unsold serial debentures	_____	_____
7. Unsold sinking fund debentures	_____	_____
8. Total unsold debentures	\$ _____	\$ _____

FORM 3 (b)—ANALYSIS OF FUTURE DEBENTURE DEBT CHARGES BY YEARS

Years	Interest (serial and sinking fund debentures)	Principal (serial debentures)	Sinking fund requirements (sinking fund debentures)	Total interest principal and sinking fund requirements	Principal maturities of sinking fund debentures
(1)	(2)	(3)	(4)	(5)	(6)
19.....					
19.....					
19.....					
19.....					
19..... to maturity					
Total.....					

FORM 3 (c)—AVERAGE RATE OF INTEREST PAYABLE ON UNMATURED DEBENTURE DEBT

Rate of interest (%)	Amount of debt unmatured	Annual interest extended
(1)	(2)	(3)
1.....	_____	_____
1½.....	_____	_____
1¾.....	_____	_____
2.....	_____	_____
etc.....	_____	_____
Total.....	\$ _____	\$ _____

Average rate of interest payable on unmatured debenture debt.....%

ANALYSIS OF FUTURE DEBENTURE DEBT CHARGES BY YEARS

This form is an analysis of future debt charges for debentures, both for interest and principal requirements, arranged to disclose the amounts needed for each of the succeeding five years, and the total amount beyond five years to maturity.

Column 1—The years upon which the analysis is based.

Column 2—The interest requirements for both sinking fund and serial debentures.

Column 3—The principal requirements for retirement of serial debentures in the years specified.

Column 4—Amounts required for payment into the sinking funds in the years specified.

Column 5—Total requirements for all interest payments, principal payments on serial debentures, and requirements for sinking funds (total of columns 2, 3 and 4).

Column 6—The amount of principal of sinking fund debentures falling due in each year. These will be met from the sinking funds set up for the purpose.

It will be noted that the total of columns 3 and 6 represent the total of the unmatured debenture debt which is shown in the Capital and Loan Fund Section of Form 2, item 12 on the liabilities side. (See page 30.)

AVERAGE RATE OF INTEREST PAYABLE ON UNMATURED DEBENTURE DEBT

This form classifies all unmatured debenture debt on the basis of the rate of interest payable.

Column 1 lists the various interest rates; column 2 the total amount of unmatured debenture debt, serial or sinking fund; and column 3 the annual interest payable at each rate per cent.

STATEMENT OF TAXES LEVIED BY THE SCHOOL BOARD

In school areas where taxes are levied by the municipality and paid over to the school board, complete tax information is available from the municipal authorities. The purpose of Form 4 is to secure the same information from schools which levy their own taxes, and only such school authorities should use it.

Column 1—The detail of the information required.

Column 2—The amounts included in the current year's levy.

Column 3—Tax arrearages from prior years.

Column 4—Total taxes (total of columns 2 and 3).

Item 1—The balance of taxes due and unpaid at the beginning of the fiscal year, including interest and penalties if any. This amount will appear in column 3; it will agree with item 6 in Form 2, Revenue Fund Section, assets, in the statement of assets and liabilities of the preceding financial period.

FORM 4.—STATEMENT OF TAXES LEVIED BY SCHOOL BOARD

For The Fiscal Year Ended _____ 19____

Detail (1)	Current year's levy (2)	Prior years' arrears (3)	Total (4)
	\$	\$	\$
1. Balance due and unpaid at beginning of fiscal year (including penalties or interest).....			
2. Current year's levy.....			
3. Penalties or interest added.....			
4. Total (items 1 to 3).....			
5. Taxes collected.....			
6. Penalties or interest collected.....			
7. Adjustments re: cancellations or reductions, etc.....			
8. Total (items 5 to 7).....			
9. Balance due and unpaid at end of fiscal year.....			

- Item 2—Taxes levied for the year under review. This amount will be placed in column 2; it will agree with item 22, Revenue Form IA.
- Item 3—Penalties and interest on current taxes and arrears of taxes.
- Item 4—Total of items 1, 2 and 3.
- Item 5—The amount of taxes collected, either current or arrears or both, in the period under review. This will agree with item 32, receipts, on Form 1B.
- Item 6—The amount of penalties or interest collected on current taxes and arrears. This will agree with item 33, receipts, on Form 1B.
- Item 7—Any reductions in the amounts of taxes to be collected.
- Item 8—Total of items 5, 6 and 7—the total amount by which the taxes owing have been reduced during the period under review.
- Item 9—Balance due and unpaid at the end of the year is the total of all taxes receivable during the year, current or arrears, plus interest and penalties (item 4) from which is subtracted the total of all collections and reductions (item 8).

The total balance (item 9, column 4) is the amount "Taxes levied by school board due and unpaid (including penalties and interest)" which appears as item 6 of the Revenue Fund Section of the statement of assets and liabilities prepared at the close of the period under review.

**STATEMENT OF ASSESSED VALUATION AND TAXES
LEVIED THEREON**

The burden of taxation for school purposes is a subject of general interest; any redistribution of that burden may be facilitated by accurate knowledge. For this reason, all school boards are requested to fill out this form, whether or not they levy school taxes.

Column 1 gives the classification of the tax sources; column 2 the assessed valuation upon which the taxes are based; and column 3 shows the amount of the taxes levied on each type of property.

Item 1—Real property includes land and buildings, and improvements to land and buildings.

Item 2—Personal property includes such property as stock in trade, movable machinery and tools, live stock, furniture and fixtures, personal and household effects. It does not include income.

Item 3—This applies to assessments and taxes levied thereon, for business purposes only, which are in addition to real property taxes.

Item 4—Specify all other taxes, e.g., poll tax, dog tax, etc.

**FORM 5.—STATEMENT OF ASSESSED VALUATION AND TAXES LEVIED
THEREON FOR SCHOOL PURPOSES**

For The Fiscal Year Ended _____-194_____

Classification (1)	Assessed valuation (2)	Taxes levied (3)
	\$	\$
1. Real property		
2. Personal property		
3. Business		
4. Other: (specify)—		
41.		
42.		
43.		
5. Total	\$	\$

COST OF PUPIL TRANSPORTATION AT PUBLIC EXPENSE

Column 1—Method of Transportation.

1. Vehicles which are actually owned and operated by the school authority. Motor Vehicles include buses, cars, station wagons, etc., the information for which is shown in item 11. The information for horse-drawn vehicles is shown separately in item 12.

2. "Public Utilities" refers to the services of publicly-owned and operated systems, such as bus lines, street cars, etc., where the costs or charges for pupil transportation are assumed by the school board.

3. "Contracts" refers to agreements entered into with private individuals or companies other than public utilities for the hiring of transport equipment and service at an agreed price paid by the year, term, month, or some other definite period.

4. "Payments of money in lieu of transportation" are sometimes made directly to the students or their parents or guardians to enable them to pay the necessary costs of transportation involved in school attendance.

Column 2—Record here the total number of miles travelled daily by the vehicles employed in bringing the students to school and returning them to their destinations. Do not record any additional distances travelled by the vehicles to bring them from and return them to their bases of operation.

Column 3—If there are 50 pupils in the area for whom transportation is provided, it is quite likely that on many days a smaller number, say 47 or 48, will be in attendance. However it is desirable to show the maximum number for whom transportation facilities are made available; include in column 3 the greatest number transported on any one day of the school year.

Column 4—The total operating expense includes all amounts paid in lieu of transportation, for contracts with transportation agencies, public or privately-owned, and for the costs of operating and maintaining vehicles, animals, garages, stables, and other equipment used for the transportation of pupils. Include the cost of replacing depreciated equipment.

The total expense agrees with the figure shown in Statements 1A and 1B under Auxiliary Agencies.

FORM 6.—COST OF PUPIL TRANSPORTATION AT PUBLIC EXPENSE

For The Fiscal Year Ended _____ 191_____

Method of transportation	Number of miles per day (total daily run)	Maximum number of pupils transported on any one day	Total operating expense	Book value of equipment as at above date	Number of vehicles operated as at above date
(1)	(2)	(3)	(4)	(5)	(6)
By					
1. Vehicles owned and operated by school authority—					
11. Motor vehicles.....					
12. Horse drawn.....					
2. Public utility.....				XXXXXXXX	XXXXXXXX
3. Contract—					
31. Buses, taxis and private cars.....				XXXXXXXX	
32. Horse drawn.....				XXXXXXXX	
4. Payment of money in lieu of transportation..				XXXXXXXX	XXXXXXXX
Total					XXXXXXXX

Column 5—See discussion on pages 28 and 29 for method of evaluating fixed assets. These are recorded at cost. Deduct the value of equipment discarded or traded in on new equipment; add the cost of new equipment. Replacements of equipment at the same valuation are chargeable to expense.

For example, a bus costing \$3,000 is purchased to replace one which originally cost \$2,000. The trade-in price for the old bus is \$500. Write off \$1,500 to expense (this is replacement) and capitalize the additional \$1,000. The asset is now carried on the books at \$3,000. The actual amount of cash paid out, it will be noticed, was \$2,500.

Column 6—This column gives the total number of each type of vehicle operated by the school, and owned by the school; also the number operated under contract. The main total is of no significance, and is omitted.

APPENDIX A—GLOSSARY

The following definitions, which may be of interest to officials responsible for administering and reporting school affairs, have been taken largely from the "Municipal Accounting Terminology" published by the Dominion Bureau of Statistics in 1912, as a result of a series of Dominion-Provincial Conferences on Municipal Statistics.

GLOSSARY

Accounts Payable.—Amounts due and owing on open account whether to other governmental bodies or to individuals, firms or corporations but not including amounts due to other funds of the municipality.

Accounts Receivable.—Amounts due and owing, on open account, whether by other governmental bodies, individuals, firms or corporations, but not including amounts due from other funds of the municipality.

Accrual Basis.—When revenues are accounted for when earned or due, even though not collected, and expenditures are accounted for as soon as liabilities are incurred, whether paid or not, the system of accounting is said to be on the accrual basis.

Accrued Assets.—Revenues earned but not yet due, such as . . . accrued interest on investments.

Accrued Expenses.—Expenses that have been incurred up to a given date, but have not been paid and, in some cases, are not payable until a future date.

Accrued Liabilities.—Amounts representing expenditures applicable to a period up to and including a given date, but not yet payable, e.g., accrued interest on bonds or notes payable.

See also accrued expenses.

Accrued Revenue.—Revenue that has been earned up to or is due at a given date, but has not been collected.

Amortization.—(1) Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

(2) Provision for the extinguishment of a debt by means of a sinking fund.

Annuity Debentures.—*See* Serial Debentures.

Assessed Valuation.—A valuation set upon real estate or other property as a basis for levying taxes.

Assessment.—In general, the official act in determining the values as applied to property, business, income, etc.

Assets.—The entire property of all kinds of a school authority, including both current assets and fixed assets.

Note.—Conventionally, debit balances subject to final disposition, such as deferred charges and prepaid expenses, are classified as assets at closing periods, even though the stated values may not represent the realizable values.

Auditor's Certificate.—A statement signed by the auditor stating that he has examined the accounting records and purporting to express his opinion, based on such examination, regarding the financial condition of the municipality or any of its enterprises, the results from operations, and any facts that the auditor in his professional capacity has investigated.

Bond.—An instrument issued by a government or corporation as evidence of a debt or obligation, contingent or otherwise. Such instrument issued by a municipality in Canada is generally called a debenture, which term is preferable to bond.

Bond—Secretary-Treasurer's.—A fidelity insurance bond protecting the school board against loss arising from the defalcation of the secretary-treasurer.

Bonded Debt.—See Debenture.

Bonded Indebtedness.—See Debenture.

Book Value.—Value, as shown by books, regardless of whether such value is understated or overstated.

Note.—In the case of assets that are being depreciated, book value refers to costs or stated value less the reserve for depreciation.

Capital Assets.—See Fixed Assets.

Capital Expenditures.—Expenditures that result in the acquisition of or additions to fixed assets.

Capital Outlay.—See Capital Expenditures.

Capital Surplus.—This term should not be used in municipal accounting.

Cash.—Money, including currency and other forms of exchange, on hand, on deposit in a bank or other depository.

Note.—All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability should be indicated.

Cash Basis.—When revenues are accounted for when received in cash, and expenditures are accounted for when paid, the system of accounting is said to be on the cash basis.

Cash Discount.—An allowance made on an account if paid within a stated period. *Note.*—The term is not to be confused with "Trade Discount".

Current Assets.—Those assets owned by a local government that are available to meet the cost of operations or to pay current liabilities of the government. The term includes all shifting and changeable assets, such as cash, taxes receivable, notes receivable, temporary investments, and supplies or stores kept for subsequent use.

Current Liabilities.—Liabilities that are payable immediately or in the near future out of current resources, as distinguished from long-term liabilities to be met out of future resources.

Current Taxes.—Taxes of the fiscal year for which they are levied.

Debenture.—A written promise to pay a specified sum of money called the par value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, payable at certain stipulated periods, generally semi-annually.

Debenture Discount.—The amount by which the par value of a debenture is in excess of the price realized when it is sold.

Debenture Premium.—The amount by which the price realized for a debenture is when it is sold is in excess of the par value.

Debentures Authorized and Unissued.—Debentures which a Municipality can issue without further proceedings other than to direct their sale.

Debt Charges.—The amount of money necessary annually to pay the interest on the outstanding debt, and the principal of maturing bonded debt not payable from a sinking fund and to provide a fund for the redemption of bonds payable from a sinking fund.

Debt Service.—See Debt Charges.

Deficit.—The excess of the liabilities and reserves of a fund over its assets; or the excess of the obligations, reserves, and unencumbered appropriations of a fund over its resources.

Depreciation.—Loss in value of fixed assets, other than wasting assets, due to wear and tear and obsolescence.

Double Entry.—A system of bookkeeping based on the fundamental theory that every business transaction has a two-fold aspect and, therefore, a complete record is obtained by entering equal amounts to the debit of one or more accounts and to the credit of another account or accounts.

Endowment Fund.—A fund whose principal must be maintained inviolate, but whose income alone may be expended.

Entry.—The record of a financial transaction in its appropriate book of account. The act of recording a transaction upon the financial records.

Equipment.—Physical property of a more or less permanent nature, other than land, buildings, or improvements to either of these. Examples are machinery, tools, trucks, cars, shops, furniture and furnishings.

Expenditures.—Amounts paid or incurred for all purposes, including expenses, provision for retirement of debt, and capital outlays. Synonym: Outlay.

Note.—If the accounts are kept on the "cash basis" the term covers only actual disbursements. If the accounts are kept on the "accrual basis" the term also includes charges incurred but not paid.

Expenses.—Expenditures for operation, maintenance, interest, and other current purposes from which no permanent or subsequently convertible value is derived.

Fiscal Period.—Any period at the end of which a municipality closes its books in order to determine its financial condition and the results of its operations.

Note.—It is usually a year, although not necessarily a calendar year.

Fixed Assets.—Assets of a permanent character having continuing value, such as land, buildings, machinery, furniture, and other equipment.

Note.—The term “fixed assets” denotes probability or intent to continue use or possession. It does not indicate the immobility of an asset, which is the distinctive characteristic of “fixture”. The term “capital assets” is sometimes used in the same sense, but “fixed assets” is preferred.

Fixed Charges.—Those expenditures of the current period which are more or less inevitable and continuous. This term is also frequently used in the narrower sense to designate debt charges requiring to be met by by-law such as debenture interest and principal.

Fixtures.—Attachments to buildings that cannot be removed without damage to the latter.

Note.—Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of such building; all others are classed as equipment.

Floating Debt.—Obligations (except bonds) payable on demand or at an early date. The latter are usually in the form of accounts payable, bank loans, notes and obligations of such nature. *See also Current Liabilities.*

Fund.—A sum of money or other resources (gross or net) set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A fund is a distinct financial or fiscal entity.

Funded Debt.—Same as Debenture Debt, which is the preferred term.

Funded Deficit.—A deficit eliminated through the sale of bonds issued for that purpose.

Grants-in-Aid.—Donations or contributions, usually by a superior governmental unit, for specified purposes, such as the support of some institution in which the public is interested or which is devoted to the public welfare, or as provincial government aid for education . . . or other purposes.

Imprest Fund.—A sum of money to be used for minor disbursements, the amount of the fund being fixed.

Note.—The fund is reimbursed by other funds of the enterprise for payments made from it, the vouchers then being surrendered. At all times, the cash on hand, plus vouchers not reimbursed, should equal the fixed amount of the fund.

Instalment Debentures.—*See Serial Debentures.*

Inventory.—A detailed list showing quantities, descriptions, and values of property. It may also include units of measure and unit prices.

Note.—The term is often confined to consumable supplies but may also cover fixed assets.

Investments.—Securities, including those issued by the governmental unit, or other property, in which money is invested either temporarily or permanently.

Investments in Default.—Bonds, notes, mortgages, or other negotiable or non-negotiable instruments on which there exists a default in the payment of principal or interest. Investments may be in default as to principal or interest, or both.

Levy.—(Verb). To impose taxes or special assessments.

(Noun). The total of taxes or special assessments imposed by a government unit.

Liabilities.—Debts or other legal obligations arising out of transactions in the past, which must be liquidated or renewed or refunded upon some future date.

Note.—The term should be confined to items payable but not necessarily due.

Maintenance.—Expenditures made to keep physical properties in condition for use or occupancy.

Net Debenture Debt.—The gross debenture debt less the sinking funds available for the payment of that debt.

Net Income.—The excess of gross income over all expenses deductible therefrom.

Non-Revenue Receipts.—Collections, other than revenue, such as receipts from the sale of assets, from loans, recoverable expenditures, or special assessment collections.

Notes Payable.—In general, an unconditional written promise signed by the maker, to pay a certain sum in money, at a fixed or determinable future time, either to the bearer or to the order of a person designated therein.

Outlay.—Synonym: Expenditures. *See also* Capital Outlay.

Overdraft.—The amount by which cheques, drafts, or other demands for payment on the treasury or on a bank exceed the amount of the credit against which they are drawn.

Pension Fund.—A fund out of which pensions are to be paid to those entitled thereto either by agreement or arrangement.

Petty Cash.—A sum of money, either in the form of currency or a special bank deposit, set aside for the purpose of making change or immediate payments of comparatively small amounts for which it is subsequently reimbursed from the cash of a fund, on submission of supporting vouchers. *See also* Imprest Fund.

Prepaid Expenses.—Expenses that have been entered in the accounts for benefits not yet received, such as prepaid rent, prepaid interest, and premiums on unexpired insurance. *See also* Deferred Charges.

Premium on Secretary-Treasurer's Bond.—*See* Bond—Secretary-Treasurer's.

Prepayment of Taxes.—The system of depositing with a municipality sums of money to be applied to the taxes of the depositor when such taxes are levied.

Receipts.—What is actually received. It indicates cash (from all sources) unless otherwise described.

Refunding Debentures.—Debentures issued to retire debentures already outstanding or in default.

Repairs.—Usually a part of maintenance.

Replacements.—Expenditures made to replace a part or all of a fixed asset. If the expenditure does not increase the original value of the asset, it is a part of maintenance. If it increases the original value of the asset, it is a capital outlay to the extent of the increase.

Reserve.—An amount set aside generally out of the surplus of a fund to provide for estimated future expenditures or losses, for working capital, or for other specified purposes.

Reserve for Retirement of Sinking Fund Debentures.—A reserve representing the amount of cash and other resources which should have been accumulated at a certain date in order eventually to redeem bonds outstanding. *See also* Sinking Fund.

Revenue.—Additions to cash or other current assets that do not increase any liability or reserve, nor represent the recovery of an expenditure.

Note.—If the accounts are kept on a "cash basis", the term is synonymous with "Revenue Receipts". If the accounts are kept on an accrual basis, the term includes revenue, whether accrued or collected. *See also* Accrual Basis and Cash Basis.

Securities.—Bonds, debentures, notes, mortgages, or other forms of negotiable instruments. *See also* Investments.

Serial Debentures.—Debentures that are redeemable by instalments over the life of the issue. When the amortization is such that equal, or approximately equal, instalments of combined interest and principal are paid each year, the debentures so retired are known as serial annuity debentures.

Sinking Fund Debentures.—Debentures issued for the repayment of which a sinking fund is provided.

Sinking Fund.—A fund established by periodical instalments or otherwise which, along with the increment thereon is to provide for the retirement of the principal of sinking fund debentures and of other debentures specified to be retired from sinking funds.

Sinking Fund Requirements.—The amount needed to be placed periodically or otherwise in the sinking fund so that the accumulation thereof together with the earnings thereon will be sufficient to redeem sinking fund debentures as they mature.

Note.—The amount required to be set aside should be established on a pre-determined actuarial basis.

Stores.—Goods on hand subject to requisition.

Stoppages for Pension Fund.—*See* Superannuation Deductions.

Superannuation Deductions.—Amount deducted from teachers' salaries by school boards for contribution to a pension fund.

Surplus.—The excess of assets over liabilities and reserves.

Tax Arrears.—All taxes due and outstanding, excluding unpaid taxes of the current year. *See also* Current Taxes.

Tax Liens.—Claims which governmental units have upon properties until taxes levied against them have been paid.

Tax Roll.—The list showing the amount of taxes levied against each taxpayer or property.

Note.—The tax roll and assessment roll are sometimes combined.

Taxes.—Compulsory charges levied by a governmental unit against the income or wealth of persons, natural or corporate, for the common benefit of all the residents of the governmental unit.

Temporary Loans.—Borrowings, under proper authority, for general purposes, until taxes are collected, and for capital undertakings until debentures are sold.

Trade Discount.—Allowances, usually varying in percentage with volume of transactions, made to those engaged in certain businesses and allowable irrespective of the time when the account is paid. The term is not to be confused with cash discount.

Trust Fund.—A fund consisting of resources received and held by the municipality as trustee to be expended or invested in accordance with the conditions of the trust.

Unrealized Revenue.—See Accrued Revenue.

Voucher.—A document evidencing a certain transaction, certified and approved, especially a written form attesting the propriety of the payment of money; also an invoice properly certified and approved.

Voucher Cheque.—A voucher cheque combines the distinguishing marks of a voucher and a cheque; it shows the propriety of a payment and is an order for the payment thereof.

APPENDIX B—SUGGESTED BOOKS OF ACCOUNT

One obstacle which sometimes lies in the way of achieving standardized reporting of school finances is the difficulty of securing the required information from the books of account.

For that reason several simple records are illustrated in Appendix A. It should be pointed out that this was not part of the study proper, that it is quite superfluous for the larger school authorities with well developed accounting systems, and that it is added, not as any recommended system, but merely as a guide to the secretary-treasurer who may find certain features of these records helpful in his work.

Those included are:—

- Cash Receipts and Cash Payments Book
- Payroll Summary
- Employee's Earnings Record
- Catalogue of Property
- Insurance Register

CASH RECEIPTS

Date	Explanation	F	Cash Received	Distribution						
				Net Provincial Grants	Tax Receipts	County Grants	Other Municipal Grants	Receipts from other School Boards	Tuition Fees	Other Receipts
<i>19- Jan</i>	<i>Balance on hand</i>		<i>327.50</i>							<i>327.50</i>
<i>- 4</i>	<i>Tuition Fees</i>		<i>100.00</i>						<i>100.00</i>	
<i>- 7</i>	<i>Gas Receipts</i>		<i>210.00</i>		<i>210.00</i>					

A simple form of Cash Book suitable for the small school which does not keep a set of books on the double entry principle. "Cash Received" and "Cash Paid" columns contain all cash receipts and payments; the other money columns are for purposes of distribution. The main sources of receipts are shown in separate columns; the totals will yield the amounts to be shown in the receipts side of the Statement 1 B. All others are shown in "Other Receipts" and it is necessary to analyze this column for purposes of reporting on Statement 1 B.

CASH PAYMENTS

Date	Explanation	F	Cash Paid	Distribution						
				Adminis- tration	Instruction	Operation and Maintenance	Auxiliary Services	Debt Charges	Capital Expenditures	Other Payments
Jan 2	Fuel 2 tons local		24.00			24.00				
- 5	Les. Fees Honorarium		200.00	200.00						
" 31	Teachers' Salaries		550.00		550.00					

Treat cash payments the same as cash receipts. Payments in the column headed "Other Payments" will be analyzed for reporting purposes on Statement IB.

In balancing the cash book at the end of the month or year—it is advisable to balance at the end of each month—put the balance on hand at the bottom of the items in the "Cash Paid" column, and in the "Other Payments" column. When both sides of the cash book are added, the total of "Cash Received" and "Cash Paid" will balance. Place the totals opposite each other, double rule to indicate the end of a period, and bring down the balance on the receipts side in the two columns—"Cash Received" and "Other Receipts".

The book may be checked by adding all the distribution columns on each side, and seeing that they agree with "Cash Received" and "Cash Paid" columns respectively.

PAYROLL SUMMARY

Date *September 30, 19—*

Name of Employee	Monthly Salary	Deductions				Total Deductions	Net Salary
		Super-annuation	Income Tax	Group Insurance	Other		
<i>Robert Jones</i>	<i>200.00</i>	<i>7.00</i>	<i>12.00</i>	<i>3.00</i>		<i>22.00</i>	<i>178.00</i>

55

This is a convenient form to record the salary and wages paid to the employees of the school board. The deductions columns may be made to cover the deductions in force in a particular school. Additional columns can be added for cost-of-living bonus and other details if desired.

Some school boards follow the practice of preparing a payroll summary in duplicate; one copy is sent to the bank with a cheque for the total of the "Net Salary" column. The bank credits the net salary of each teacher and other employee in his bank account. This method saves the writing of individual cheques. The duplicate is kept on file with the other records of the school board.

The particulars of each pay period are entered on employees' individual earnings records such as shown on the following page.

EMPLOYEE'S EARNINGS RECORD

Date	Gross Salary	Deductions					Net Salary	Absences	
		Superannuation	Income Tax	Group Insurance	Other	Total Deductions		Reason	No. Days
July 30	200.00	7.00	12.00	3.00			178.00	Sickness	2

Status <i>15</i> No. Dependents <i>3</i>	Date of Appointment <i>September, 1939</i> Contract Salary <i>\$1600 with \$100 annual increment</i>	Certificates <i>H.S. Assistant H.S. Principal Commercial Specialist</i>
---	---	--

James, Robert B.A. *1479 Bridgeport Drive* *Phone 3968*

The individual earnings and deductions of each employee must be reported to the Income Tax officials annually; much time and confusion is avoided if a special record is kept for each employee and entered at each pay period.

The form illustrated here is designed to itemize the same information shown on the payroll summary sheet (see preceding page). The same card or sheet can be used to record absences; this is of importance to school records generally, but particularly so for those boards which have adopted a plan of cumulative sick leave.

At the bottom of the form is recorded information necessary for the computation of the correct income tax deduction—marital status, dependents, etc. It can also be used to record teaching certificates, degrees, years of experience, etc.

A handy method is the visible card system. For schools with small numbers of employees, book units can be procured with as low as sixteen cards. The name, address, phone number and other items of information can be shown on the visible strip at the bottom of the card.

CATALOGUE OF PROPERTY AT COST

Office Machines

Date Purchased	Description	Cost Price	Sold, Traded-in, or Discarded		
			Amount (at cost)	Details	Date
<i>Sept 13, 1927</i>	<i>Dalton Adding Machine</i>	<i>210.00</i>	<i>210.00</i>	<i>Traded-in (allowance \$2.50)</i>	<i>Oct. 1941</i>
<i>Oct 10, 1944</i>	<i>Sundstrand Adding Machine</i>	<i>2,750.00</i>			

In maintaining a catalogue of property and equipment, the chief danger is failing to record the elimination of equipment when it is discarded, traded in, or sold. To assist in this procedure, the right-hand portion of this form shows the book value (cost price) of the items eliminated, and what happened to them.

The value of the inventory can be arrived at by adding the two money columns, and subtracting the second column from the first. Separate pages should be kept for different classes of property and equipment.

The catalogue should be checked at definite periods by taking a physical inventory.

INSURANCE REGISTER

Date of Policy	Term	Number of Policy	Name of Insurance Company	Nature of Policy	Property Insured	Amount of Policy	Amount of Premium Payable		
							1943	1944	1945
Jan 7, 1944	3 yrs	42978	Eastern Fire Ins. Co.	Fire	Public School Bldg	10,000		\$75.00	
Feb 10, 1942	3 yrs	5437/19	Ludlow Ins. Co.	Fire	Furniture & Equip.	5,000			\$39.00
Aug 8, 1943	3 yrs	38 A 9A	General Ins. Co.	Boiler	Boilers of Heating System		\$20.00		

Many schools keep inadequate records of their insurance policies, although the large units maintain insurance registers which give considerably more information than the one suggested here.

This form is arranged to show the date of the policy, how long it runs, the number, the name of the company, the type of insurance carried, and the property against which the policy is carried. The face value of the policy is also indicated.

The last three columns are arranged to indicate the amount of the premium payable in the current and the next two years; this is done so that a board may be assisted in planning an insurance program in which the annual policies are for approximately the same amount each year.

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