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DOMINION BUREAU OF STATISTICS.
FINANCE STATISTICS BRANCH
CANADA

MUNICIPAL ACCOUNTING TERMINOLOGY

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



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

The first Dominion-Provincial Conference on Municipal Statistics was held at Ottawa, July 19-22, 1937. In order to expedite the work of the Conference, the Chairman (Dr. R. H. Coats, Dominion Statistician), with the assent of the assembled delegates, appointed a number of committees to crystallize the many subjects appearing on the agenda, and in the matter of terminology for municipal accounts appointed the following committee:—

- G. P. Gordon, Commissioner of Finance, City of Ottawa (Chairman).
- G. A. Lascelles, Executive Secretary, Treasury Department, City of Toronto.
- L. Jacobs, Inspector of Municipal Accounts, Saskatchewan.
- H. H. Walker, Department of Municipal Affairs, Toronto.

This Committee held several meetings during the Conference, and at the closing session its Chairman reported that final results of his Committee's deliberations would be sent at an early date to the Dominion Statistician and also to each Provincial Government representative.

At the second general Dominion-Provincial Conference on Municipal Statistics held at Ottawa, May 6-9, 1940, an interim report from the Terminology Committee was submitted. In this report the Chairman expressed the deep appreciation of his Committee for the invaluable assistance rendered by the Municipal Finance Officers Association of the United States and Canada in permitting the use of the National Committee's report on "Municipal Accounting Terminology" in defining accounting terms applicable to the Canadian systems of reporting municipal finance. After a general discussion, the report was taken up item by item, and many amendments were adopted. The Committee was then requested to re-draft its report in accordance with the wishes of the Conference at large.

A change in the personnel of the Continuing Committee on Terminology was effected to round out all revisions and amendments before final adoption for printing. The new Terminology Committee consisted of G. P. Gordon, Commissioner of Finance, City of Ottawa (Chairman), and L. Jacobs, Director of Municipal Auditing and Accounting, Saskatchewan.

The third Conference on Municipal Statistics was held at Ottawa, December 4-6, 1940. The Terminology Committee submitted its report recast in accordance with amendments made at the previous Conference

After due consideration of the report, still further amendments were made and the present report was finally adopted, on the understanding that the Dominion Bureau of Statistics would bear the cost of printing both English and French editions sufficient to meet the needs of the several Provincial Governments.

The Dominion Bureau of Statistics now carries out its agreement to publish the Terminology report as finally accepted by the Dominion-Provincial Conference on Municipal Statistics. The terms defined cover the accounting items generally set up by Canadian municipalities in reporting their financial activities.

S. A. CUDMORE,
Dominion Statistician.

OTTAWA, July 31, 1942.

MUNICIPAL ACCOUNTING TERMINOLOGY

ABATEMENT

Cancellation of a part or the whole of a charge made in the form of taxes or for services.

ACCOUNTABILITIES

Those items for which a person must render an account, although he may not be personally liable for them. For example, a trustee may have disbursed all funds confided to his care and so have relieved himself of liability, but he is still obliged to account for them, and the items are, therefore, accountabilities.

ACCOUNT NUMBER

See CODIFICATION and SYMBOLIZATION.

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.

See also ENCUMBRANCES.

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.

ACCRUE

(Verb) To record as revenue any or all taxes, licences, and other assessments and levies when due, other revenue when earned, and expenditure when incurred, notwithstanding that the receipt of the revenue or payment of the expenditure may take place, in whole or in part, in another accounting period.

ACCRUED ASSETS

Revenues earned but not yet due, such as unbilled utility sales accrued since the latest bills were rendered to customers, and 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 INCOME

Income that has been earned up to or is due at a given date, but has not been collected. The term is used only in accounting for utilities and other governmental enterprises of a business character.

See also INCOME and ACCRUED REVENUE.

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.

ACTIVITY

A specific line of work carried on by a governmental unit in order to perform its functions, e.g., "food inspection" in connection with the function of "health conservation". There may also be internal activities such as "motor repairs", "storerooms", etc.

See also CHARACTER, FUNCTION, and OBJECT.

ALLOTMENT

A portion of an appropriation or special fund set aside to cover expenditures and encumbrances for a certain period or purpose.

ALLOTMENT LEDGER

A subsidiary ledger containing an account with each allotment, showing the amount allotted, the expenditures, the encumbrances, and the unencumbered balance of each allotment.

See also APPROPRIATION LEDGER.

ALLOWANCE

A deduction from revenues and assets due to some modifying circumstance. For example, deductions from selling price on account of imperfection of goods.

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 (q.v.).

ANNUITY DEBENTURES

See SERIAL DEBENTURES.

APPORTIONMENT

See ALLOTMENT.

APPROPRIATION

An authorization by the legislative body to make expenditures and incur liabilities for specific purposes.

NOTE: An appropriation is usually limited in amount and as to the time when it may be expended.

APPROPRIATION BALANCE

See UNENCUMBERED BALANCE and UNEXPENDED BALANCE.

APPROPRIATION EXPENDITURES

Expenditures made from an appropriation.

APPROPRIATION LEDGER

A subsidiary ledger containing an account with each appropriation, showing the amount appropriated, the expenditures, the encumbrances, and the unencumbered balance of each appropriation; or if allotments are made and a separate ledger maintained therefor, the appropriations, the allotments, and unallotted balance of each appropriation.

See also ALLOTMENT LEDGER.

APPROPRIATION BY-LAW

A by-law (q.v.) by which appropriations are legally made.

NOTE: It is by such by-law or by-laws that the expenditure side of the "budget" (q.v.) becomes legal.

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.

ASSESSMENT ROLL

An official list showing the assessment valuation of each parcel of real property in an assessment district, with descriptions of properties, and names of all known owners, also the valuation for personal property, business, income and other purposes.

NOTE: There may be a combined assessment and tax roll.

ASSETS

The entire property of all kinds of a municipality, 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.

AUDIT

In the absence of any expression defining the extent to which it has been limited, an audit is understood to be an examination of the subject matter of the accounting in all its financial aspects, including, so far as the several classifications of accounts may be involved, the verification of assets, liabilities, receipts, disbursements, revenues, expenditures, reserves, and surplus, and their application, in such detail as may be necessary in the circumstances for each individual case, to permit certification of the statements rendered and of the accountability of the fiduciary parties.

AUDIT PROGRAM

A detailed description of work to be done in any given audit.

AUDITED VOUCHER

A voucher which has been examined and approved for payment.

See also ACCOUNTS PAYABLE.

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.

See also QUALIFIED CERTIFICATE and UNQUALIFIED CERTIFICATE.

AVAILABLE CASH

The excess of cash of a given fund in the treasury over immediate demands and reserves against cash; that is, the actual cash in the treasury belonging to a given fund after deducting the amount of unpaid vouchers and claims approved for payment, outstanding warrants, and reserve accounts for definite purposes.

AVAILABLE SURPLUS

That portion of unappropriated surplus which has been realized and can be utilized immediately.

BALANCE SHEET

A statement showing the financial position of a fund or government at a specified date, ordinarily prepared from books kept by double entry. If a single balance sheet is prepared for several funds, it may be in columnar or sectional form so as to exhibit the accounts of each fund individually.

BALANCE-SHEET AUDIT

A balance-sheet audit consists of the verification as of a given date, of the assets, liabilities, surplus, and all reserve accounts including, as incidental thereto, such examination of the operations as may be necessary to give credence to the stated financial condition. It does not include the detailed vouching of all receipts and disbursements or all details of revenues and expenditures, nor does it establish the accountability of the fiduciary parties, except broadly. It should be accompanied by a report stating the nature and extent of the verifications that have been made, drawing attention to any items requiring explanation or comment, and by a certificate stating the opinion of the auditor as to the correctness or incorrectness of the statement submitted.

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 (q.v.) which term is preferable to bond.

BONDED DEBT

See DEBENTURE DEBT.

BONDED INDEBTEDNESS

See DEBENTURE DEBT.

BOND FUND

See DEBENTURE FUND.

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.

BOOKS OF ORIGINAL ENTRY

Those books in which the various entries are formally recorded for the first time usually for the purpose of distribution or summarization but always for the purpose of transfer to a book of final entry.

Memorandum books, cheque stubs, files of duplicate sales invoices, etc., whereon first or prior business notations may have already been made, are not books of first (original) entry in the accepted meaning of the term, unless they are also used as the mediums for direct posting to the ledgers.

BUDGET

An estimate of proposed expenditures for a given period or purpose and the means of financing them, as expressed in appropriation and revenue acts, by-laws, or resolutions.

BUDGETARY ACCOUNTS

Those accounts necessary to reflect budget operations and condition, such as estimated revenue, appropriations, and encumbrances, as distinct from the proprietary accounts (q.v.).

BUDGETARY CONTROL

The control or management of a governmental unit or enterprise in accordance with an approved budget with a view to keeping expenditures within the limitations of available appropriations or revenues.

BY-LAW

A regulation or law adopted by a municipal corporation for government in the conduct of its own affairs.

CALLABLE DEBENTURES

A type of debenture that permits the municipality to pay an obligation before the stated maturity date.

Synonym: OPTIONAL BONDS

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 RESOURCES

Resources of a fixed or permanent character, such as land and buildings, which cannot ordinarily be used for meeting expenditures of a current or operating nature.

CAPITAL SURPLUS

This term should not be used in municipal accounting.

See INVESTMENT IN FIXED ASSETS.

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 AUDIT

An audit limited to the verifications of cash transactions for a stated period, for the purpose of determining that all cash received has been brought into account and that all disbursements are properly authorized and vouched. A cash audit is detailed in character but limited in scope. It is concerned with the sources of receipts and the nature of disbursements only to substantiate their accuracy. Such an audit establishes the accountability of the persons charged with responsibility for cash. A certificate may be given in appropriate form of a summary of the cash transactions for the period.

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" (q.v.).

CERTIFICATE OF INDEBTEDNESS

See DEBENTURE.

CHARACTER

As applied to an expenditure classification, this term refers to the relationship of expenditures to current, prior, and future fiscal periods, i.e., whether the expenditure is an expense, provision for the retirement of debt, or a capital outlay.

See also ACTIVITY, FUNCTION and OBJECT.

CHEQUE

A cheque is a bill of exchange drawn on a bank payable on demand. It is an order in writing upon a bank for the payment on demand of a specified amount of money usually to a specified person or order from money on deposit at the credit of the maker.

A cheque differs from an ordinary bill of exchange in that it is (1) due on presentation, (2) payable on demand. It differs from a voucher in that the latter may show the propriety of a payment or may show that a payment has been made, but is not an order to pay.

See also VOUCHER-CHEQUE.

CODE

See CODIFICATION.

CODIFICATION

Numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals certain essentials. For example, the symbolization (q.v.) of accounts; numbering monthly recurring journal entries so that the numbers indicate the month and the nature of the entry; numbering invoices or vouchers so that the number reveals the date of entry.

See also SYMBOLIZATION.

COLLECTOR'S ROLL

See TAX ROLL.

COMMITMENT

See ENCUMBRANCES.

COMPLETE AUDIT

One in which the examination extends to a verification of the details of all the books of account, including subsidiary records and all supporting vouchers, as to mathematical accuracy, complete accountability, and correctness of accounting principle.

CONTINGENT FUND

A fund set apart to provide for unforeseen expenditures, or for anticipated purposes of uncertain amount.

NOTE: The term should not be used to describe a reserve for contingencies. The latter is set aside out of a fund but does not constitute a separate fund.

CONTINGENT LIABILITIES

Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled orders, and uncompleted contracts.

NOTE: All contingent liabilities should be shown on the face of the balance sheet in a footnote thereto.

CONTINUOUS AUDIT

One in which the detail work is performed either continuously or at short, regular intervals throughout the fiscal period, usually at the shortest intervals (e.g., weekly or monthly) at which subsidiary records are closed and made available for audit in controllable form. Such "continuous" work leads up to the completion of the audit upon the closing of the accounting records at the end of the fiscal period.

A continuous audit differs from a periodical audit, even though the detail work be performed, for example, monthly, in that no report is made, except of irregularities detected and adjustments found to be necessary, until the end of a complete fiscal period, and, further, in that the certification of balance-sheet figures, as such, may be deferred until the fiscal closing. A continuous audit is not necessarily a complete audit, but may be limited in scope according to understanding and to meet the requirements of the case.

CONTROLLING ACCOUNT

An account, usually kept in the General Ledger, which receives the aggregate of the debit and of the credit postings to a number of identical, similar or related accounts called subsidiary accounts, so that its balance equals the aggregate of the balances in these accounts.

NOTE: It serves as a check upon the mathematical accuracy of the detail ledger account postings and frees the control ledger of a mass of detail.

See also GENERAL LEDGER and SUBSIDIARY ACCOUNTS.

COST LEDGER

A subsidiary record wherein each project, job, production centre, process, operation, product, or service is given a separate account whereto all items entering into its cost are posted in the required detail. Such accounts should be so arranged and kept that the results shown in them may be reconciled with and verified by a control account or accounts in the general books.

COST RECORDS

All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of a project, job, production centre, process, operation, product, or service.

COST UNIT

The quantity, or amount, that is selected to form a yardstick by means of which the cost of a given piece of work may be compared with a standard cost (q.v.) or with the cost of similar work. For example, a square yard of pavement or sidewalk.

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, accounts receivable, notes receivable, temporary investments, and supplies or stores kept for subsequent use.

CURRENT DEFICIT

The excess of current liabilities and reserves of the general fund (q.v.) or any special revenue fund (q.v.).

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.

See also FLOATING DEBT.

CURRENT RESOURCES

Resources to which recourse can be had to meet obligations and expenditures such as: current assets, estimated revenues not yet realized, transfers from other funds authorized but not received, and, in case of certain funds, debentures authorized and unissued.

CURRENT SURPLUS

The excess of current assets over current liabilities and reserves of the general fund (q.v.) or any special revenue fund (q.v.).

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 DEBT

That portion of the indebtedness represented by its outstanding debentures. Preferred to BONDED DEBT or FUNDED DEBT.

DEBENTURE DISCOUNT

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

DEBENTURE FUND

A fund established to receive and disburse the proceeds of a debenture issue.

DEBENTURE PREMIUM

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

DEBENTURE REGISTER

A register showing the names and addresses of the holders, the par value of the principal amounts, and the maturity dates and numbers of the debentures registered in names of such holders.

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 (q.v.) and to provide a fund for the redemption of bonds payable from a sinking fund.

DEBT LIMIT

The maximum amount of debt that a governmental unit may legally have outstanding.

DEBT SERVICE

See DEBT CHARGES.

DEFERRED ASSETS

See DEFERRED CHARGES and PREPAID EXPENSES.

DEFERRED CHARGES

Expenditures that are not chargeable to the period in which they were made, but are set up as assets that are to be amortized, although they may have no market value or tangible existence. They may include such items as discount on bonds issued and other charges held in suspense until distribution is accomplished.

See also PREPAID EXPENSES.

DEFERRED CREDITS

See DEFERRED INCOME.

DEFERRED DEBITS

See DEFERRED CHARGES and PREPAID EXPENSES.

DEFERRED INCOME

Income that has been received, but is applicable to a future period.

DEFICIENCY

A general term indicating the amount by which anything falls short of some requirement or expectation. Should not be used without qualification.

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.

DELINQUENT TAXES

Taxes remaining unpaid subsequent to the last date on which they may be paid before being subject to penalty for non-payment.

DEPOSIT

Money deposited with a banker, either as a general deposit subject to cheque or as a special deposit made for some specified purpose.

NOTE: The term is also used to designate securities lodged with a banker or other person for some particular purpose. In municipal accounts, the word is used also to indicate sums deposited by customers for electric meters, water meters, etc., and by contractors and others to accompany and guarantee their bids.

DEPRECIATION

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

DETAILED AUDIT

This is similar to a complete audit, but usually a series of tests is substituted for a complete audit of every entry. An audit may be detailed and yet limited in scope, e.g., a cash audit.

The form of report will depend on the scope of the work but, as far as the work goes, it will follow the corresponding portion of a report of a complete audit.

DIRECT CHARGES

See DIRECT EXPENSES.

DIRECT DEBT

A debt that a municipal corporation has incurred in its own name and any debt assumed through the annexation of territory or otherwise.

DIRECT EXPENSES

Those expenses that can be charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, or departments or operating units.

DISBURSEMENTS

Payments in cash regardless of the purpose.

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.

EARNINGS

See INCOME and REVENUE.

ENCUMBRANCES

Obligations in the form of purchase orders or contracts which are to be met from an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or approved for payment.

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, ships, furniture and furnishings.

ESTIMATED REVENUE

The amount of revenue estimated to accrue or to be received during a given period.

EXHIBITS

The accounts, statements, and other papers that accompany and are a part of a financial report. Sometimes the term is used only for the balance sheet or other principal statements.

See also SCHEDULES and STATEMENTS.

EXPENDIBLE FUND

A fund whose resources may be expended or extinguished in accordance with general or specific rules and regulations.

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" (q.v.) the term covers only actual disbursements. If the accounts are kept on the "accrual basis" (q.v.) 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, though not necessarily a calendar year.

FIXED ASSESSMENT

A valuation for taxation purposes determined for a fixed period of years.

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" (q.v.). 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.

FLOATING INDEBTEDNESS DEBENTURES

Debentures issued to pay floating debt, and debentures issued for the purpose of securing funds to pay callable debentures.

FORFEITURE

The confiscation by the government of deposits held in trust for the purpose of enforcing contracts or of compensating against damages or losses.

FRACTIONAL ASSESSMENT

Assessment at a fraction of full value or of such other standard as may be fixed by law.

NOTE: Fractional assessment may constitute under-assessment, or it may be sanctioned by law where certain types of property are legally assessable at a fixed percentage of full value.

FRANCHISES

Privileges that permit the continuing use of public property, such as city streets, and usually involve the element of regulation.

FUNCTION

A group of services aimed at accomplishing a certain purpose or end, e.g. protection to persons and property.

See also ACTIVITY, CHARACTER, and OBJECT.

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.

FUND ACCOUNTS

All accounts necessary to set forth the operations and condition of a fund.

FUND ASSETS

Assets belonging to a particular fund.

FUND BALANCE SHEET

A balance sheet of a given fund.

NOTE: The term has often been used in the past to describe a statement of fund resources, obligations, and balances, but a more correct term for such a statement would be "statement of budgetary resources, obligations, and unappropriated surplus".

FUND GROUP

A group of funds of a similar character which are brought together for administrative and reporting purposes, e.g., trust or sinking funds pooled for investment purposes.

FUND LIABILITIES

Liabilities of a fund which are to be met out of its resources.

FUND OBLIGATIONS

Obligations to be met out of the resources of a particular fund.

FUND SURPLUS

The net surplus of a fund, that is, the excess of its resources over its obligations and reserves. The term should not be used without qualification.

See also AVAILABLE SURPLUS, CURRENT SURPLUS, INVESTMENT IN FIXED ASSETS, and UNAPPROPRIATED SURPLUS.

FUNDED DEBT

Same as DEBENTURE DEBT (q.v.), which is the preferred term.

FUNDED DEFICIT

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

GENERAL FUND

A fund that is unrestricted as to use and, therefore, available for any purpose.

This term is also used to designate the fund to which the amounts levied for in the tax rate are credited, and against which all expenditures of the relative municipal activities are charged.

GENERAL LEDGER

An accounting record containing accounts in which are recorded in detail or in summary all the transactions of the organization unit for which such accounts are kept.

NOTE: In "double-entry" (q.v.) book-keeping the debits equal the credits and therefore the debit balances equal the credit balances.

See also CONTROLLING ACCOUNT, SUBSIDIARY ACCOUNTS, and SUBSIDIARY LEDGER.

GOVERNMENTAL ACCOUNTING

The preparation and keeping of accounts for governmental bodies.

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, unemployment relief, or other purposes.

GROSS DEBENTURE DEBT

The total amount of debenture debt including debentures assumed.
See also DEBENTURE DEBT and DIRECT DEBT.

GROSS INCOME

Income of municipal utilities and other governmental enterprises of a business character from all sources whatsoever before deductions.

See also REVENUE.

GROSS REVENUE

See REVENUE.

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.

See also PETTY CASH and REVOLVING FUND.

IMPROVEMENTS

Buildings and structures and other appurtenances such as sidewalks, trees, drives, tunnels, drains, and sewers.

INCOME

For the definition of this term in accounting for municipal utilities and other governmental enterprises of a business character, see **GROSS INCOME** and **NET INCOME**. As it relates to other municipal activities, the term is synonymous with **REVENUE**.

INDEPENDENT AUDITOR

An auditor not connected with the staff of the governmental unit whose accounts are being audited.

INDIRECT CHARGES

See **OVERHEAD**.

INSTALMENT DEBENTURES

See **SERIAL DEBENTURES**.

INTER-FUND ACCOUNTS

Accounts made up of transactions between funds.

See also **INTER-FUND TRANSFERS**.

INTER-FUND TRANSFERS

Amounts transferred from one fund to another.

INTERNAL AUDIT

An audit made by persons on the staff of the governmental unit whose accounts are being audited.

NOTE: An internal audit is usually a continuous audit.

INTERNAL CHECK

An accounting method or procedure so designed that the work of one employee is complementary to that of another, thus providing a continuous audit by the employees on the accuracy of their accounting work.

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.

INVESTIGATION

A special examination of books and records.

NOTE: The proper use of the word "investigation" in accountancy implies some particular object to be gained or particular result to be stated. It indicates something different from an audit and it is seldom necessary to qualify it by the addition of "special" or any similar adjective.

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.

INVOICE

A statement from a vendor setting forth details as to quantity, price, and other necessary particulars with reference to goods sold to a purchaser.

JOB ACCOUNT

An account pertaining either to an operation that occurs regularly (a "standing job"), or to a specific piece of work (a "job order"), showing all charges for material and labour used, and expenses incurred, together with any allowances or other amounts which may be credited.

JOURNAL VOUCHER

A voucher provided for the recording of certain transactions or information in place of or supplementary to the journals or registers.

JUDGMENTS

Amounts due to be paid or collected by a government unit as the result of court decisions, including awards in payment for private property taken for public use.

LAPSE

(Verb) As applied to appropriations, it denotes termination of an appropriation.

NOTE: An appropriation is made for a certain period, and, at the end of this period it is said to lapse and the unencumbered balance thereof must be reappropriated unless otherwise provided by law.

LEVY

(Verb) To impose taxes or special assessments.

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

LOCAL IMPROVEMENTS

Works undertaken by a government of a local nature, such as sewers, sidewalk pavements, roadways, etc., the costs of which may be borne in whole or in part by the benefiting properties.

LOCAL IMPROVEMENT DEBENTURES

Debentures issued for works undertaken as local improvements, the interest and maturing principal in connection with which are met, in accordance with the terms under which the debentures are issued, for the municipality's share from general tax levy, and the ratepayers' share from special assessment (q.v.).

LUMP SUM APPROPRIATION

An appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for particular objects of expenditure, e.g., an appropriation for the police department that does not specify the amounts to be spent for salaries and wages, travel, equipment, etc.

MAINTENANCE

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

MUNICIPALITY'S SHARE OF LOCAL IMPROVEMENT COSTS

An account that represents the amount to be contributed by the municipality from general revenues, general bond issues, or from a special tax levy to cover that part of the cost of an assessment improvement considered to be of benefit to the community as a whole.

NET DEBENTURE DEBT

As applied to the municipality as a whole, it is the gross debenture debt less the sinking funds available for the payment of that debt.

See also GROSS DEBENTURE DEBT.

NET INCOME

The excess of gross income (q.v.) over all expenses deductible therefrom.

NET OPERATING INCOME

See OPERATING INCOME.

NET OPERATING PROFIT

See OPERATING INCOME.

NON-OPERATING INCOME

Income of municipal utilities and other governmental enterprises of a business character that is not derived from the operation or use of assets employed by such enterprises.

NON-PRODUCTIVE ASSETS

Assets which do not lead directly to the production of revenue.

NON-REVENUE RECEIPTS

Collections, other than revenue (q.v.), 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. Preferred to **BILLS PAYABLE**.

NOTES RECEIVABLE

Negotiable instruments of a promisory nature which are payable to a governmental unit, either directly or by endorsement. Preferred to **BILLS RECEIVABLE**.

NOTE: While in a legal sense, a note receivable may be merely a promise to pay and is not necessarily negotiable, the term "notes receivable" when used in a balance sheet, means negotiable notes that the holder has received in the course of business.

OBJECT

As used in an expenditure classification, it applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures), e.g., personal services, materials, supplies, and equipment.

See also **ACTIVITY, CHARACTER, and FUNCTION**.

OBLIGATIONS

Amounts that may be legally required to be met out of resources including unliquidated encumbrances.

OPERATING EXPENSES

As used in the accounts of municipal utilities and other governmental enterprises of a business character, the term means such expenses as are necessary to the maintenance of the enterprise, the rendering of services for which operated, the sale of merchandise, the production and disposition of commodities produced, and the collection of the revenues.

Sometimes used to describe expenses for general governmental purposes.

OPERATING INCOME

Income derived from the operation, or as a compensation for the use, of assets employed in municipal utilities or other governmental enterprises of a business character.

OPERATING PROFIT

See OPERATING INCOME.

OPTIONAL BONDS

See CALLABLE DEBENTURES.

ORDINANCE

See BY-LAW.

OUTLAY

Synonym: EXPENDITURES

See also CAPITAL OUTLAY.

OVERDRAFT

(1) 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.

(2) The amount by which requisitions or audited vouchers exceed the appropriation or other credit to which they are chargeable.

OVERHEAD

All those elements of indirect cost necessary in the production of an article or the performance of a service, which are of such nature that the amount applicable to each unit of product or service cannot be determined readily or accurately. Usually they relate to those objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, supervision, etc.

PARTIAL AUDIT

A term used to describe (1) a special examination of some portion of a set of accounts or records or of all the accounts for an incomplete period, such work being the subject of specific instructions describing and limiting its extent; or (2) more inexactly, a test of the detailed transactions made in conjunction with a balance-sheet audit.

PAY-AS-YOU-GO-PLAN

A plan of financing all current operating and capital outlay expenditures out of current revenue as distinguished from financing by the sale of debentures.

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.

POSTING

The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

PRE-AUDIT

Examination and approval of accounts by an auditor before expenditures in connection with them are made.

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.

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.

PRIVATE TRUST FUND

A trust fund (q.v.) arising from private sources, such as special deposits and endowment funds.

PRODUCTIVE ASSETS

Assets used in the course of business to produce revenue.

PROJECT

A unit of construction work the cost of which is accounted for separately from other work. It is usually financed by budget appropriations, by special assessments, or by bond issues.

PROPRIETARY ACCOUNTS

Those accounts necessary to reflect the assets and liabilities, and which display the results of operations in terms of revenue, expenditure, surplus, or deficit.

See also BUDGETARY ACCOUNTS.

PUBLIC TRUST FUND

A trust fund (q.v.) arising from public sources.

PURCHASE ORDER

A document executed by a municipality authorizing a vendor to deliver specified merchandise and to make a charge therefor.

QUALIFIED CERTIFICATE

An auditor's certificate in which the auditor states he has not verified certain items or is unable to do so, or that in his opinion the statements do not accurately or fully reflect actual conditions, or that the information furnished him is not considered sufficient to enable him to reach a conclusion.

RATEPAYERS' SHARE OF LOCAL IMPROVEMENTS

That portion of the cost of local improvement works met by special assessment against the owners of properties specially benefiting from such improvements. The remaining portion is met by the ratepayers at large in the general tax levy, or in some cases, by adjoining municipalities where benefited.

REBATES

Abatements (q.v.) or refunds (q.v.).

RECEIPTS

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

RECOVERABLE EXPENDITURES

Expenditures made for or on behalf of another governmental unit, fund, or department, or for a private individual, firm, or corporation, which will subsequently be recovered in cash or its equivalent.

REFUND

(Noun) An amount paid back or credit allowed on account of an over-collection.

(Verb) To pay back or allow credit for an amount on account of an over-collection.

(Verb) To provide for the payment of a loan through cash or credit secured by a new loan.

REFUNDING DEBENTURES

Debentures issued to retire debentures already outstanding or in default. The refunding debentures may be sold for cash and outstanding debentures or debentures in default, redeemed in cash or the refunding debentures may be exchanged with holders of outstanding debentures or debentures in default.

REGISTERS

Records for the consecutive entry of a certain class of events, documents, or transactions, with a proper notation of all the required particulars.

NOTE: The form of a register for accounting purposes varies from a one-column to a multicolumnar sheet of special design whereon the entries are distributed, summarized, and aggregated usually for convenient posting to the accounts.

REIMBURSABLE EXPENDITURES

See RECOVERABLE EXPENDITURES.

REIMBURSEMENT

Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit, fund, or department.

REPAIRS

Usually a part of maintenance (q.v.).

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 (q.v.). If it increases the original value of the asset, it is a capital outlay (q.v.) to the extent of the increase.

REPORT

(Noun) A written or verbal formal statement (q.v.).

(Verb) To make, prepare, or present a written or verbal formal statement.

REQUISITION

A demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

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 DEPRECIATION

The accumulation of periodical credits made to record the estimated reduction in the value of certain assets due to wear and tear through use or obsolescence.

NOTE: When such a reserve is set up, it should be shown on the balance sheet as a deduction from the assets to which it relates so as to show the book value of the assets on a depreciated basis.

RESERVE FOR RENEWALS AND REPLACEMENTS

A reserve set aside to provide for the renewal or replacement of fixed assets.

NOTE: Such a reserve is usually built up by adding approximately equal annual amounts throughout the estimated useful life of the asset, so that the cost of renewing or replacing assets at irregular intervals may be spread equitably over the period of their usefulness.

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.

RESERVE FOR UNCOLLECTED TAXES

A reserve created by provision being made in the yearly estimates for taxes which may not be collected during the year.

RESERVE FOR UNCOLLECTIBLE TAXES

A provision in the yearly estimates for that part of taxes which it is estimated, will never be collected.

RESOURCES

All the assets owned by a governmental unit including land, buildings, cash, etc., as well as estimated revenues not realized and, in case of certain funds, bonds authorized and unissued.

See also CAPITAL RESOURCES and CURRENT RESOURCES.

RESTRICTED RECEIPTS

Receipts (q.v.) earmarked for specific purposes.

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" (q.v.). If the accounts are kept on an accrual basis, the term includes revenue, whether accrued or collected.

See also ACCRUAL BASIS and CASH BASIS.

REVENUE DEBENTURES

Debentures to be paid from earnings, usually those of a municipally owned utility, or other public service enterprise for payment of which the revenues and possibly the properties of the enterprise are pledged.

REVENUE RECEIPTS

Revenue collected.

REVOLVING FUND

A fund provided to carry out a cycle of operations. The amounts expended from the fund are restored thereto from the income of the operation or by transfers from other funds, so that it is always intact, either in the form of cash, receivables, or inventory.

See also IMPREST FUND, PETTY CASH, and WORKING CAPITAL FUND.

ROTARY FUND

See REVOLVING FUND.

SCHEDULES

(1) The explanatory or supplementary statements that accompany the balance sheet, or other principal statement periodically prepared from the books.

(2) The accountant's or auditor's principal work papers covering his examination of the books and accounts.

(3) A written enumeration or detailed list in orderly form.

See also EXHIBITS and STATEMENTS.

SECURITIES

Bonds, debentures, notes, mortgages, or other forms of negotiable or non-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 predetermined actuarial basis.

SINKING FUND RESERVE

See RESERVE FOR RETIREMENT OF SINKING FUND DEBENTURES.

SPECIAL ASSESSMENT

A charge imposed by a government upon the owners of a selected group of properties to defray, in whole, or in part, the cost of a specific improvement or service which is presumed to be of special benefit to the owners of such properties.

SPECIAL ASSESSMENT ROLL

The list showing the amount levied against each parcel of property benefited by an improvement, or against which the cost of a service rendered is assessed.

SPECIAL AUDIT

An audit made for any purpose other than the verification or certification of statements of account presented according to regular procedure at the close of an accounting or fiscal period. Such an examination may be one where specially exhaustive attention is given to detail, or it may, on the other hand, be a sketchy examination of some limited feature of the accounts. An interim or periodical audit made in regular course, however, is not a special audit.

SPECIAL FUND

Any fund that must be used in accordance with specific regulations and restrictions.

SPECIAL REVENUE FUND

A fund used to finance particular activities from the receipts of specific taxes or other revenues.

STANDARD COST

What the cost of performing an operation or producing a product should be when labour, materials, and equipment are utilized efficiently under normal and reasonable conditions.

NOTE: Normal conditions exist when there is an absence of special or extraordinary factors affecting the quality or quantity of the work performed, or the time or method of performing it.

STATEMENTS

In accounting, formal written presentations setting forth financial information. The term includes exhibits, schedules, and written reports.

See also EXHIBITS, REPORT, and SCHEDULES.

STORES

Goods on hand subject to requisition.

SUBSIDIARY ACCOUNTS

A group of related accounts supporting a controlling account.

NOTE: A typical example is found in the account with the consumers of power and water, which are usually kept in subsidiary ledgers, the total balances of which must equal the balances in the controlling account in the General Ledger.

See also CONTROLLING ACCOUNT and SUBSIDIARY LEDGER.

SUBSIDIARY LEDGER

An accounting record containing accounts, called subsidiary accounts, in which are recorded in detail identical, similar, or related transactions. The accounts in the subsidiary ledger support in detail the debit and credit summaries recorded in a controlling account in the General Ledger relating to the same activity or object as the subsidiary accounts.

See also CONTROLLING ACCOUNT *and* SUBSIDIARY ACCOUNTS.

SUBVENTION

A grant in aid (q.v.).

SURPLUS

The excess of assets over liabilities and reserves.

SURPLUS RECEIPTS

Receipts from revenue or other sources which increase the surplus of a fund, but are not properly a part of the normal revenue either because they belong to a prior period or were not contemplated in the budget.

Examples: Collection of taxes or accounts receivable previously written off as uncollectible and receipts from sale of fixed assets.

SUSPENSE FUND

A fund established to set aside and account separately for certain cash receipts pending the distribution or disposal thereof.

SYMBOLIZATION

The assignment of letters, numbers, or other marks or characters to the ordinary titles of the ledger accounts. Each letter, or number, should have the same meaning wherever used and should be selected with great care so that it will indicate immediately and with certainty the title of the account as well as its place in the classification. The use of proper symbols saves much time and space in making the book record and adds to its precision and accuracy.

See also CODIFICATION.

TAX ANTICIPATION NOTES

Notes (sometimes called "warrants") issued in anticipation of collection of taxes.

TAX ARREARS

All taxes due and outstanding, excluding unpaid taxes of the current year.

See also CURRENT TAXES.

TAX LEVY BY-LAW

A by-law (q.v.) authorizing the levy of taxes.

TAX LIENS

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

TAX PREPAYMENT CERTIFICATES

Certificates issued in prepayment of taxes (q.v.) and sold at present worth on an authorized discount basis. These certificates may be presented, and accepted at face value, in payment of taxes they were purchased to liquidate on the date set for payment of such taxes, or at any time thereafter.

TAX ROLL

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

NOTE: The tax roll and assessment roll (q.v) 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.

NOTE: The term does not include specific charges made against particular persons or property for current or permanent benefits and privileges accruing only to those paying such charges such as licences, permits, and special assessments.

TAXES LEVIED FOR OTHER GOVERNMENTAL UNITS

Taxes levied, to be collected and paid over to some other governmental unit.

TAXES RECEIVABLE

An asset account representing the uncollected portion of taxes which a governmental unit has levied.

TEMPORARY LOANS

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

See also TAX ANTICIPATION NOTES.

TEST CHECK

A check in which, instead of auditing every item in an account, or in a record, for an entire period under review, certain items are selected and completely checked. If no errors be found, the examination is regarded as warranting the assumption that those items in the accounts which have not been checked are also correct.

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 (q.v.).

TRANSFER VOUCHER

A voucher prepared to authorize transfers of cash or other resources between funds.

TRIAL BALANCE

A list of the balances of all ledger accounts, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal, the ledger from which the figures are taken is said to be "in balance".

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.

See also PRIVATE TRUST FUND and PUBLIC TRUST FUND.

UNAPPLIED CASH

Any cash not earmarked for some special purpose and available for purposes of the fund of which it is a part.

UNEARNED INCOME

See DEFERRED INCOME.

UNENCUMBERED ALLOTMENTS

See UNENCUMBERED BALANCE.

UNENCUMBERED APPROPRIATION

See UNENCUMBERED BALANCE.

UNENCUMBERED BALANCE

That portion of an appropriation or allotment not yet expended or encumbered.

UNEXPENDED APPROPRIATION

See UNEXPENDED BALANCE.

UNEXPENDED BALANCE

That portion of an appropriation or allotment which has not been expended.

UNIT COST

The cost of a unit of product or service. For example, the cost of a square yard of pavement, or of a ton of asphalt.

UNLIQUIDATED ENCUMBRANCES

Encumbrances that have not yet been paid or approved for payment.

See also ENCUMBRANCES.

UNQUALIFIED CERTIFICATE

An auditor's certificate in which the auditor states that the accounts referred to in the certificate are, in his opinion, correct and reflect accurately the conditions or the transactions or results shown.

UNREALIZED REVENUE

See ACCRUED REVENUE.

UNRESTRICTED RECEIPTS

Receipts concerning the use of which no limitations exist.

UTILITY FUND

A fund established to finance the construction, operation, and maintenance of municipally owned utilities.

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.

WORK IN PROCESS

The cost of partially completed products manufactured or processed in the service departments, such as a partially completed printing job. The term is not synonymous with **WORK IN PROGRESS**.

WORK IN PROGRESS

The cost, at a given date, of construction work on a project not yet completed.

WORK UNDER CONSTRUCTION

See **WORK IN PROGRESS**.

WORK ORDER

A form issued to one responsible for the performance of a particular job, indicating the nature and location of the job, specifications of the work to be performed, and a job number which is referred to in reporting the amount of labour, materials, and equipment used.

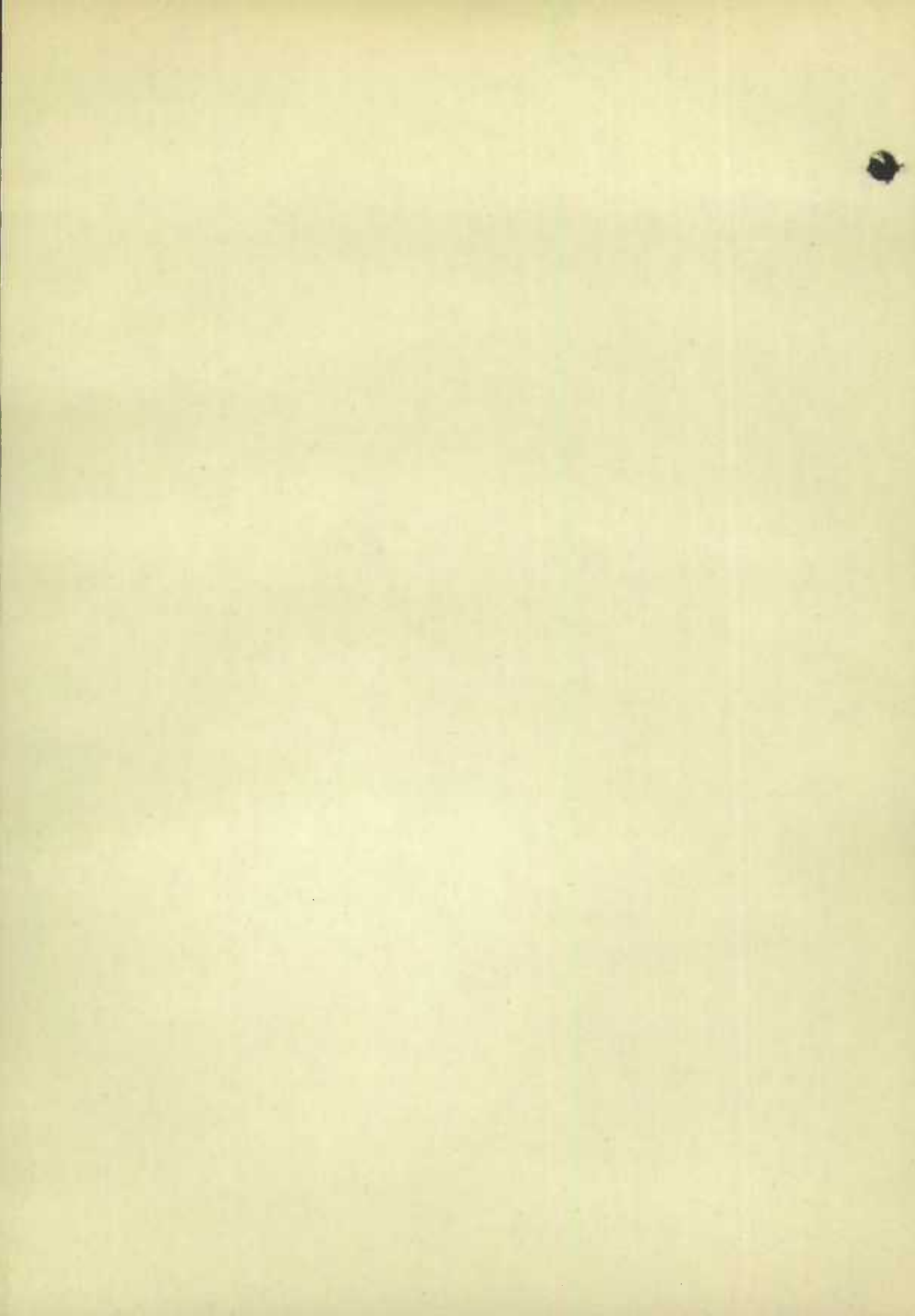
WORK UNIT

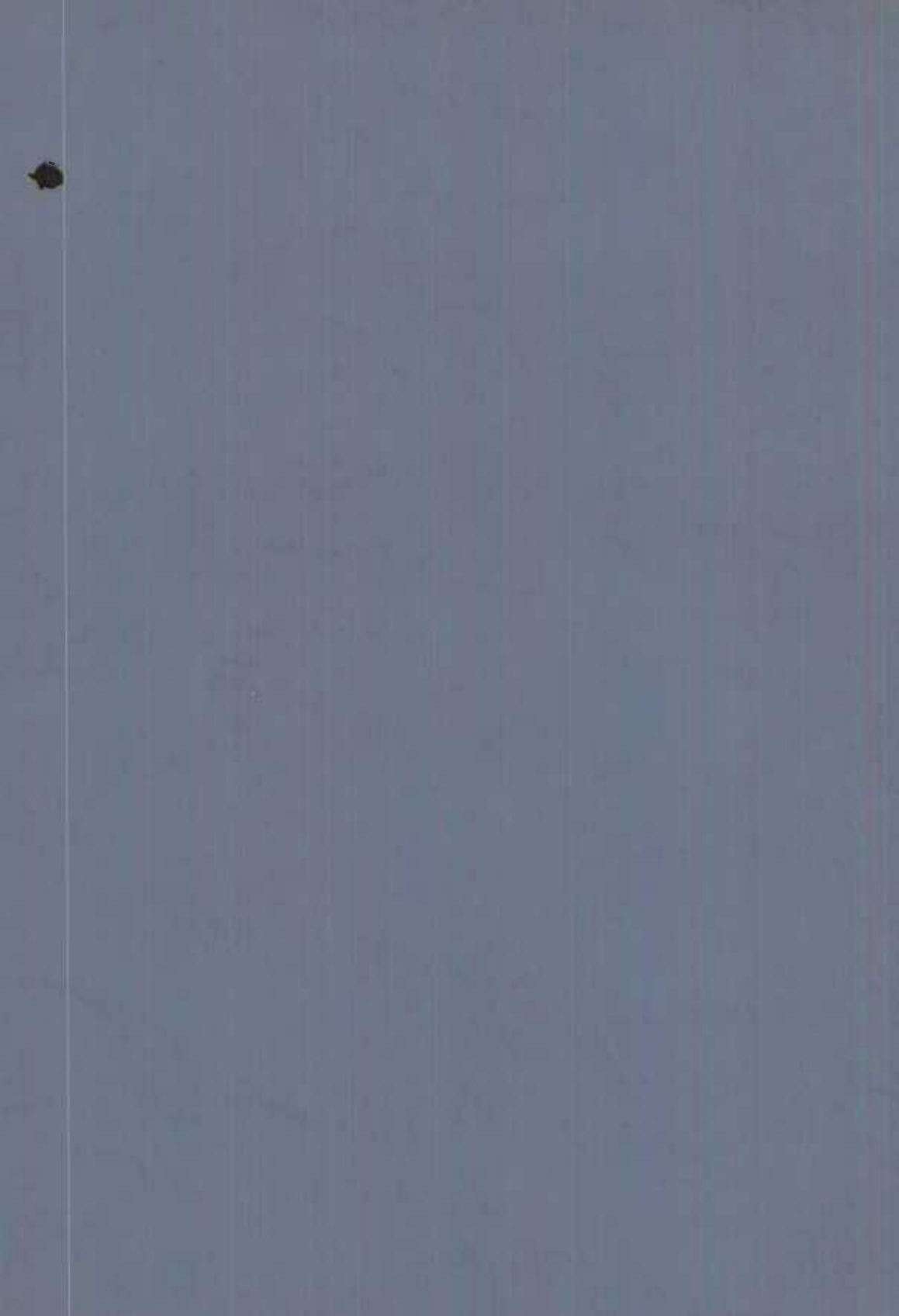
See **COST UNIT**.

WORKING CAPITAL FUND

A fund established to finance activities, usually of a manufacturing or service nature, such as shops and garages, asphalt plants, and central purchases and stores departments. Sometimes called a revolving fund (q.v.).







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