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The system of government financial management statistics

Supplement

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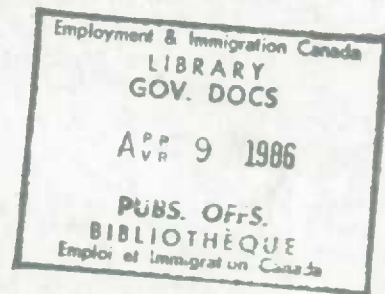
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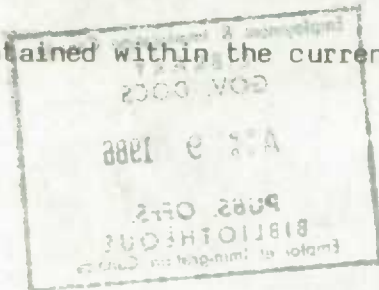
The System of Government Financial Management Statistics

Supplement

Subsequent to publication of "The System of Government Financial Management Statistics" in March 1984 we have evidenced a growing demand for an overview of the major milestones in the development of government financial management statistics as well as a glossary which would provide a quick and easy reference of terminology contained within the manual.

This resulted in the development of the following supplement to the manual which contains a revised table of contents along with the Chronology (Appendix D) and Glossary (Appendix E) which should be inserted at the end of the current manual after page 158.

The contribution of Mr. A.G. Kerr is gratefully acknowledged in the development of this supplement and it is hoped that it will provide a source of information for the users which will enable them to have easier access to the material contained within the current manual.



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Appendix D

Chronology of the Development of the Financial Management System

- 1918 The Dominion Bureau of Statistics sends a memorandum to the Provinces outlining a uniform system of municipal accounting and reporting.
- 1921 DBS commences publication of municipal finance statistics, (1919 onwards) in accord with the classifications and concepts of the 1918 memo.
- 1923 DBS commences publication of provincial finance statistics (1921 onwards) on the same basis.
- 1933 First Dominion-Provincial Conference on Provincial Finance Statistics approves basic concepts proposed by DBS - revenue by source and expenditure by function.
- 1937 First Dominion-Provincial Conference on Municipal Finance Statistics approves standard reporting formats for revenues, expenditures and balance sheets and requests development of "Manual of Instructions".
- 1937-40 The Royal Commission on Dominion-Provincial Relations (the Rowell-Sirois Commission) uses DBS concepts and classifications in its statistical compilations and incorporates the 1938 and 1939 provincial finance publications as Appendix 1 to its report.

- 1940 (May) Second Conference on Municipal Finance Statistics reviews draft of "Manual of Instructions".
- 1940 (December) Third Conference on Municipal Finance Statistics approves publication by DBS of "Manual of Instructions".
- 1941 The Dominion Provincial Conference - a follow-up to Rowell-Sirois - also uses DBS concepts and classifications in its statistics.
- 1942 DBS publishes "Manual of Instructions - Financial Statements, Accounting Terminology, Population, Area and Assessment Schedules for Municipal Corporations" in two volumes.
- 1943 Second Conference on Provincial Statistics recommends complete co-ordination of the statistics of Canadian Public Finance as a whole, reporting on a "Gross" basis, the development of provincial employment and payroll statistics by DBS and the publication by the latter of reconciliations between its statistics and provincial public accounts.
- 1945 Third Conference on Provincial Finance Statistics approves revised Provincial reporting schedules and directs DBS to prepare a Manual of Instructions for them.
- 1945 Dominion-Provincial Conference on Reconstruction uses DBS statistics on government finance for planning purposes.

- 1947 Fourth Conference on Municipal Finance Statistics is concerned mainly with assessment and with the definition and valuation of fixed assets.
- 1947 Fourth Conference on Provincial Finance Statistics endorses the principle of uniformity in accounting for all levels of government and sets up a sub-committee to review the form and content of provincial public accounts. It reaffirms the principle enunciated by the Third (1945) Conference to the effect that provinces provide data to DBS in forms which do not require special compilations and in time to permit publication by DBS within seven months of the end of the reference year.
- 1948 Letter to all Provincial Treasurers from the Minister of Trade and Commerce together with memo from DBS reiterates conclusions of Fourth Conference.
- 1948 Fifth Conference on Municipal Finance Statistics requests DBS to produce a revised version of the "Manual of Instructions".
- 1950 DBS publishes a one volume second edition of the "Manual of Instructions" for municipalities.
- 1952 Fifth Conference on Provincial Finance Statistics urges the Provinces to greater uniformity in their public accounts and makes specific recommendations with regard to balance sheets

and related financial statements. Subsequently, DBS issues a Reference Book summarizing the recommendations of the five Conferences.

1953: Sixth Conference on Provincial Finance Statistics re-emphasizes the desirability of implementing recommendations on the form and content of provincial public accounts. The Conference establishes a Continuing Committee to examine the problem of uniform content of public accounts and any other pertinent matters and to make recommendations for their treatment to the Conference.

1953 Sixth Conference on Municipal Finance Statistics recommends the development by DBS of an object classification as a basis for detailing departmental and functional expenditures. The question of the valuation of fixed assets is to be referred to the C.I.C.A. Committee on Governmental Accounting. It is further recommended that this Committee be expanded to include provincial representatives to encourage provincial Institutes of Chartered Accountants to support the implementation of the recommendations of the Conferences on Municipal Statistics. Finally the Conference recommends a review by DBS and the provinces of the Proposed Standard Reporting Format for Statistics of Municipal Finance.

- 1954-60 The Continuing Committee of the Sixth Conference on Provincial Finance Statistics meets five times. Among its recommendations are the development by DBS of government enterprise financial statistics. The Committee also recognizes that the development of uniform standards of presentation and content for provincial Public Accounts is not feasible because of variations in accounting systems between governments and statutory and other requirements for information.
- 1958 Seventh Conference on Municipal Finance Statistics recommends the establishment of a Continuing Committee. It requests that drafts of the revised Manual be provided to the provinces for review and comment and that the Proposed Reporting Format be similarly distributed. It also recommends that other local governments, such as school boards, be requested to use reporting formats compatible with those of municipalities.
- 1960 DBS issues an updated version of the 1952 Provincial Conference Reference Book. (Note. This is reproduced in Cat. 68-504, A Review of Dominion-Provincial Conferences on Provincial Finance Statistics, 1966.)
- 1960 DBS publishes the "Municipal Finance Reporting Manual" to replace the earlier "Manuals of Instructions".

1964-67

The Tax Structure Committee examines ways and means of determining acceptable terms for federal-provincial tax sharing agreements. The Committee comprises representatives of the federal and provincial departments of finance and of DBS. The Committee revises DBS statistics for all three levels of government (individually and consolidated) for the period 1952-62 and, on this basis, projects revenues and expenditures to 1971. The revised data are published in Cat. 68-503 "Historical Review-Financial Statistics of Governments in Canada, 1952-62" by DBS in 1966. This publication, which introduces the term "Financial Management System" to describe the DBS system, includes descriptions of the conceptual framework, classifications and sources of FMS together with a terminology, the latter being based on that included in the Municipal Finance Reporting Manual. This Committee develops into the Financial Data Sub-Committee of the Continuing Committee of Officials on Fiscal and Economic Matters. The Sub-Committee meets semi-annually to produce financial statistics and projections for the federal and provincial governments for the use of the Continuing Committee and the Ministers of Finance. It uses FMS data for its work.

1966

Queen's Conference. Essentially a meeting at Queen's University of users and suppliers of municipal finance statistics, the Conference recommends the establishment of an advisory committee on municipal statistics. The Conference also calls for a Federal-Provincial Conference to revise the

municipal manual and for a meeting similar to this one to examine the present program of federal and provincial statistics.

1967-70

The Eighth Federal-Provincial Conference on Municipal Finance Statistics holds seven sessions to develop a new municipal manual. This is published in 1970 in three volumes entitled "A Financial Information System for Municipalities" (Cats. 12-532, -533 and -534). As distinct from previous manuals, this publication sets out the information requirements of users of municipal finance statistics. It describes how these can be met by the Financial Management System and proposes an accounting framework in accordance with FMS classifications.

1967

DBS commences the supply of revenue source data to the federal Department of Finance in conformity with the Federal-Provincial Fiscal Arrangements Act and Regulations. The data, which have been expanded considerably in scope and detail by the successive quinquennial Acts, are produced in FMS terms.

1970

A Conference of Users of Public Finance Statistics reviews the existing program of DBS and makes a number of recommendations for its improvement and expansion. Chief among these are the updating of FMS and a full description of its concepts and classifications.

1971 Participants in the Eighth Conference on Municipal Statistics reconvene in the first of a series of annual meetings of what is eventually entitled the Intergovernmental Conference on Local Government Information Development. The Conference concentrates on the applications of FMS at the local government level and on various aspects of municipal accounting.

1972 DBS publishes "The Canadian System of Government Financial Management Statistics" (Cat. 68-506). This publication describes the changes introduced into the System to respond to the changes in government and its activities in the previous decade. In addition to the expansion of the classifications of general government revenue, expenditure, assets and liabilities the manual also describes the application of the System to the activities of government enterprises. The concepts remain basically unchanged but the previous emphasis on "net general" statistics, which portray the acquisition of a government's revenues from its own sources and the resulting direct expenditures, has been dropped in favour of the "gross general" concept which embraces all revenues and expenditures. This change in emphasis responds to the growth in intergovernmental transactions and the decline in restrictions placed on the use of the funds involved.

1974-76 The Tri-Level Task Force on Public Finance uses FMS data as the basis of its analysis of the financial activities and positions of all three levels of government.

- 1979-81 The Established Programs Financing Data Sub-Committee composed of representatives of the provinces and the federal Ministry of State for Social Development uses FMS data for its work.
- 1980 Public Finance Division circulates a first draft of a revised edition of the FM Manual.
- 1981 The Consultative Council on Statistics approves the establishment of a Federal-Provincial Committee on Government Statistics.
- 1982 First meeting of the Government Statistics Committee. Among other matters it questions the scope of FMS, especially its requirement that only government owned entities be included in its universes.
- 1982 The Parliamentary Task Force on Federal-Provincial Relations (Breau Committee) uses FMS data.
- 1983 The annual meeting of the Government Statistics Committee is cancelled as part of the restraint program. Public Finance Division circulates a paper proposing a Public Sector approach to cover all entities discharging public functions. Response from Committee members is generally favourable.

- 1983 Public Finance Division circulates a second draft of the revised edition of the FM Manual.
- 1983 The Royal Commission on the Economic Union and Canada's Economic Prospects (MacDonald Commission) incorporates FMS data in its studies.
- 1984 The second meeting of the Government Statistics Committee gives formal approval to the revised FM Manual. It also approves the development of a Public Sector Financial Statistics System.
- 1984 Statistics Canada publishes "The System of Government Financial Management Statistics" (Cat. 68-507). This new edition of the FM Manual places greater emphasis on the concepts underlying the System. The definition of a government enterprise is tightened up with the result that all housing authorities are now classified as special funds rather than enterprises. New revenue classifications are added, together with additional sub-functions of expenditure.

Appendix E

Glossary of Basic Terminology

Note. References following each item are paragraph numbers in the main text.

A

Accounting Conventions with Respect to Public Accounting

- (a) Accrual accounting requires revenues and expenditures to be reflected in the accounts in the period in which they are deemed to have been earned and incurred whether or not the related cash receipts and disbursements occur in the same period. Most government enterprises and the larger special funds use this convention. (4.06)
- (b) Cash accounting requires revenues and expenditures to be reflected in the accounts only when the related cash receipts and disbursements occur. This convention is not used by governments. (4.06)
- (c) Fund accounting provides for a self-balancing group of accounts for each accounting entity within a government. It is in general use among local governments.
- (d) Modified cash accounting uses the cash accounting convention during an accounting period but accrues certain items at the end of the period e.g. trade accounts, transfers and, in some cases, taxes. It is used principally by the federal, provincial and territorial governments but there is no uniformity on the items subject to accrual. (4.06)

Accounts payable - see Payables

Accounts receivable - see Receivables

Advance

- (a) An amount made available temporarily to a recipient who must return it at a later date or account for its use. (7.05/7.11)
- (b) A partial payment on account made prior to the completion of a transaction.

Agency is an entity created by a single government, or by a number of governments acting jointly, to carry out certain assigned tasks. In the Financial Management System Agencies are classified either as Enterprises (q.v.) or as Special Funds (q.v.). (3.01)

Aims of Accounting

- (a) Government accounting aims primarily at reporting on stewardship i.e. what monies were acquired by government, who was responsible for spending them and were all expenditures properly authorized.
- (b) Business accounting aims at demonstrating the present and future viability of the business. (10.02)

Appropriated surplus - See "Surplus".

Appropriation

- (a) An amount set aside (as a reserve) for a specific purpose. (7.01(c))
- (b) One of a number of planned expenditures which together make up the budget of a government.

Asset. Something owned or the right to a future benefit, both expressed in terms of money. (7.00)

B

Balance Sheet

- (a) A concise financial statement of assets, liabilities and equity at a particular point in time.
- (b) In the Financial Management System the Statement of Financial Assets and Liabilities is deemed to be the equivalent of the Balance Sheet. (7:00)

Basis of Accounting

(a) Government F.M. Statistics are produced in accordance with the conventions of Modified Cash Accounting. Source data using other conventions are only adjusted where essential. (4.06/7.00)

(b) Enterprise F.M. Statistics conform with the conventions of Accrual Accounting. (10.04)

Bond. A certificate of indebtedness issued by a government or an enterprise usually with the implication that it is secured by assets. (7.06/7.13/7.14)

Budget. A document which plans and controls future activities by estimating the amounts involved in the related transactions.

Business sector. One of the four sectors of the National Economy (q.v.) in the System of National Accounts, this comprises all profit-oriented entities including government enterprises. (8.03)

Business taxes. A revenue sub-source which includes taxes levied on business in lieu of, or supplementary to, real property taxes, but excludes taxes on income or profits. (6.04)

C

Capital Expenditure. An expenditure to acquire, or add to, an asset intended for long-term use. In FMS such expenditures are not differentiated from current expenditures. (5.12)

Capital taxes. A revenue sub-source identifying levies by provinces on the paid-up capital of corporations operating within their boundaries. They are classified to "Property and related taxes". (6.04)

Cash

- (a) Coin, banknotes, money orders, cheques and the like held by an entity collectively known as cash on hand;
- (b) Balances of accounts in banks or other financial institutions which are available on demand. (7.03)

Classification

- (a) A component of the FMS framework, i.e. a revenue source, an expenditure function, an asset or liability category, or sub-component thereof.
- (b) The act of assigning a transaction or account to its appropriate classification.

Collections for other governments identify arrangements whereby one government acts as an agent of another in collecting certain revenues on the latter's behalf. Examples are the federal-provincial tax collection agreements and the collection of real property taxes by certain provinces for their municipalities. Such collections are included only in the revenue statistics of the government for whom the collection is made. (5.26/5.32)

Commissions paid to agents for collecting taxes are deemed to be expenditures on tax collection. In cases where these have been netted, equivalent amounts are added to gross general revenue and gross general expenditure. (5.10)

Communications. See "Transportation and Communications".

Consolidation. The combination of financial statistics for two or more entities in such a way as to eliminate inter-entity transactions thus producing a set of financial statistics as if for a single entity. Examples in FMS are the consolidation of a provincial government and its special funds, of all local governments and their special funds in a province, of consolidated provincial and local government data and of consolidated government data for all levels of government. In addition data for an enterprise and its subsidiaries are normally consolidated unless the parent and subsidiaries are assigned to different industrial classifications. (Part IX)

Consumption taxes. This revenue source groups taxes where the acquisition or consumption of a good or service creates the tax liability e.g. general sales taxes. (6.01/6.05)

Contributed surplus. See "Surplus".

Corporate Undistributed Income on Hand in 1971 is taxed by the federal government and classified as corporation income tax revenue. Portions transferred to provinces where the income is deemed to have been earned are classified as general purpose transfers. (5.29)

Corporation income taxes. A revenue sub-source which includes all general and specific federal and provincial taxes on profits of corporations except specific taxes on the profits of natural resource based industries which are classified to "Natural resource revenue". (6.03)

Cross-classification consists of the simultaneous display of financial statistics in conformity with two classification systems e.g. financial management expenditures disaggregated into economic objects. (8.02)

Culture. (Function) See "Recreation and culture".

Current Expenditure. Usually, expenditures whose benefits are not expected to continue beyond the end of the accounting period (normally a year) in which it is made. (6.19)

D

Debenture. A certificate of indebtedness issued by a government or an enterprise normally without any specific security. (7.06/7.13/7.14)

Debt charges. This function includes all expenditures relating to the servicing of debt, including interest, expenditures related to foreign exchange transactions, amortization of premiums or discounts, but excluding administrative costs (included in "General services" (q.v.)) and retirement of principal which is a balance sheet transaction. (6.36)

Depreciation. The reduction in the ability to produce services of a fixed asset over its life which cannot be offset by maintenance. In FMS depreciation is only accounted for in government enterprise statistics. (16.06)

E

Education. A function which identifies expenditures on developing, improving and operating educational systems and on providing specific educational services. (6.25)

Employee on strength. Any person for whom the employing government or agency is required to complete a Revenue Canada T-4 Supplementary Form and who is recorded as an employee on the last day of a reference period whether or not he/she is paid for that day. (11.03)

Employment. (Function) See "Labour, employment and immigration".

Employment statistics in the Financial Management System identify the number of employees on the strength of a government or agency at the end of a reference period and the gross payrolls for that period. (11.01/11.02)

Environment. A function which groups together expenditures aimed at ensuring the most favourable environment for people including the costs of minimizing any deleterious effects of modern living on it. (6.27)

Estate tax. A revenue sub-source identifying the tax on inheritances formerly levied by the federal and provincial governments but now only by some of the latter. (5.27)

Expenditure (Financial Management System) includes all costs incurred by government to discharge its functions except loans and their repayment. It includes total remuneration of employees, all other current and capital outlays for goods and services and all transfer payments to individuals, businesses, other governments and to the rest of the world. (5.03/6.19)

Expenditure (Financial Management Economic Classifications) identifies the economic sector from which goods and services are purchased or to which transfers are made. (8.07)

Expenses are the costs incurred by government enterprises. (10.06)

F

Financial Management System. A statistical system designed to encompass the financial transactions of governments in terms of their expenditures to provide services, the revenues raised to cover these expenditures and the disposal of any imbalances between income and outlay. (3.00)

Fixed asset. A tangible asset, e.g. land, buildings, machinery, etc. whose useful life is expected to extend over several accounting periods. (7.00)

Foreign affairs and international assistance. A function which identifies expenditures on formal relations of Canada with other countries together with contributions made to foster development and improve social conditions in other countries. (6.31)

Function. A classification of government expenditure which identifies the purpose of, or service provided by, the expenditure. (6.19)

Functionalization. Cross-classification (q.v.) of expenditures of the government sector in the System of National Accounts in terms of functions of the Financial Management System. (8.08)

Fund. A self-balancing set of accounts established to segregate all financial transactions relating to monies received for a specific purpose. Among governments accounting by funds is generally restricted to the local level.

G

General purpose transfer. A transfer (q.v.) from a government with no restrictions placed on the recipient's use of the monies transferred. Such transfers are identified as revenue sources of the recipient and expenditure functions of the transferor. (6.00/6.17/6.34)

General sales. A revenue sub-source which identifies sales made to other than government. (6.10)

General services. This function identifies expenditures on the executive and legislature of a government and on its centralized operations. (6.20)

Government consists of the federal, provincial, territorial and municipal governments, local school authorities and special purpose bodies and all agencies (q.v.) of the foregoing. (3.00) In the Financial Management System, government is divided into:-

- (a) General government consisting of the departmental core and attached special funds (q.v.) (3.03 to 3.05); and
- (b) Government enterprises which are separate entities owned by government which sell goods and/or services primarily on the open market and derive their principal revenues from these sales and/or other of their own sources. (3.08 to 3.13)

Governments sector. This sector of the National Economy (q.v.) is the counterpart in the System of National Accounts of General government. It also includes all hospitals, whether or not owned by government, but excludes the Bank of Canada and Canada Post Corporation. (8.03)

Grants in lieu of property taxes are transfers from a government or enterprise to another government partially or wholly equivalent to the real property tax for which the transferor would be liable were it not an agency of the Crown. (5.33)

Gross convention. This FM convention requires that all transactions included in the System be reported on a gross basis. (5.02/7.01)

Gross general revenue and expenditure. The gross revenue and gross expenditure of general government. (5.03)

Gross payrolls are total gross taxable payments made to employees.

H

Health. This function identifies expenditures made to prevent ill health (e.g. through public health services) and to treat ill health through medical and hospital care. (6.23)

Health and social insurance levies. A revenue source which identifies premiums, levies and contributions used in the financing of health and social insurance schemes. (6.06)

Housing. This function identifies expenditures made to construct and operate public housing, to assist others to carry out similar activities or to secure housing. (6.30)

I

Immigration. See "Labour, employment and immigration".

Income. The revenue of government enterprises. (10.05)

Income taxes. A revenue source which includes levies on the incomes of individuals and unincorporated businesses, on the taxable profits of corporations, on certain payments to non-residents and special taxes of a similar nature. (6.03)

Industrial development. See "Resource conservation and industrial development".

Interest. The price paid for the use of money. In FMS interest received by a lender is classified as "Return on investment" (6.11) and interest paid by a borrower as "Debt charges" (6.36).

Intergovernmental fiscal arrangements cover the various schemes under which governments act as each others agents in collecting taxes, share revenues and accept the equivalent of tax liabilities to each other. (5.26 to 5.34)

Intergovernment purchase - sale transactions occur when one government purchases goods or services from a second government for resale or distribution to the first government's population or within its territory. (5.24)

Intergovernment sales. A revenue sub-source which identifies the proceeds of sales made by one government to another.

International assistance. See "Foreign affairs and international assistance".

Investment. In addition to any kind of property acquired in expectation of the revenue it will generate, FMS also classifies loans as (temporary) investments. See also "Return on investments" (6.11)

L

Labour, employment and immigration. A function which covers outlays on the operation of employment services, on the promotion of labour relations and fair employment conditions and on various immigration programs. (6.29)

Levy. FMS restricts this term to premiums, taxes, contributions, etc. imposed to finance health and social services in whole or in part. (6.06)

Liability. A debt owed. FMS follows convention in classifying liabilities to be repaid within the current or next succeeding accounting period as short-term and all others as long-term. (Part VII)

Licences. See "Privileges, licences and permits".

Liquor authorities denotes the provincial and territorial enterprises which market alcoholic beverages. (3.14 to 3.18)

Loans (uncollectable) are treated as expenditure and classified as transfers to the original debtors in the reference period in which they are deemed to be uncollectable. (5.11)

M

Minority Ownership. Where an enterprise has majority rather than complete ownership of a subsidiary, that amount of the unowned equity of the subsidiary is identified in the consolidated statements as the minority interest. (10.11)

N

National economy. Financial statistics for the national economy are produced in accordance with the System of National Accounts (SNA). This views the economy as consisting of four interacting sectors - persons, government, business and non-residents (q.v.). (8.03) Differences between FMS and SNA are described in the Note to Part VIII.

Natural resource revenue. A revenue source which identifies revenues (except income taxes and other general taxes on business) derived from the exploration, development and exploitation of natural resources. (6.02/6.08)

Non-resident sector. In the System of National Accounts all persons, businesses, non-profit institutions and governments which are not resident in Canada but which interact with the Canadian economy are assigned to this sector. (8.03)

Note. A formal promise to pay recorded by the creditor as a Note receivable and by the debtor as a Note payable. (7.07/7.15)

O

Open market. A criterion for identifying a government enterprise. Potential purchasers of its goods and/or services must be free to acquire or reject them. (3.12)

Ownership. The basic criterion for determining whether or not entities not specifically identified as governments are included in the Financial Management System. Where ownership of an entity by one or more governments and/or government agencies exceeds 50% of total proprietorship that entity is classified as part of government and included in the Financial Management System.

Own source revenue comprises that revenue raised by a government or a government enterprise from its own resources i.e. excluding transfers received from other governments or government enterprises. (6.00/10.05)

P

Payables. A liability consisting of regular expenditures of a government or government enterprise owed prior to, but not paid by, the end of a reference period. (7.09)

Payroll tax. When the proceeds of this revenue source are dedicated to discharging a particular function the tax is classified with similar dedicated levies. Thus the Quebec payroll tax is classified to "Health insurance premiums and levies". (6.06) However, if the proceeds of the tax are not so dedicated the tax is grouped with "Miscellaneous taxes". (6.07)

Personal income taxes. This revenue source identifies general and special levies on the income and on capital gains of persons and unincorporated businesses. (6.03)

Persons sector. In the System of National Accounts this sector comprises persons, households, private non-profit organizations and trustee pension plans. (8.03)

Principal. The amount outstanding of an investment or loan.

Principal revenues. This criterion for identifying government enterprises requires that normally an enterprise's revenues from own sources (q.v.) exceed the subsidies and other sustaining transfers it receives. (3.13)

Privileges, licences and permits. A revenue source comprising set charges imposed by government as prerequisites to the performance of certain activities or the exercise of certain functions. (6.09)

Protection of persons and property. A function which covers all services to ensure the security of persons and property. (6.21)

Provincial tax revenue guarantee. An undertaking by the federal government to make general purpose transfers to recompense provinces losing revenue from redefining their income tax acts in accordance with the revisions to the Federal Income Tax Act of 1971. (5.30)

Public utilities income tax transfer. A general purpose transfer by the federal government to provinces of part of the income tax collected from non-government utilities. (5.28)

Q

Quasi-trust. A "trust" lacking one or more of the principal characteristics of a trust fund. (3.19)

R

Real property taxes. A revenue sub-source identifying the proceeds of the taxation of land and improvements. (6.04)

Receivables. An asset consisting of revenue earned prior to, but not collected by, the end of a reference period. (7.04)

Reciprocal taxation. Under agreement the federal government makes payments to participating provinces as if it were liable to certain of their consumption taxes; in return the provinces pay the equivalent of any tax or fee levied under the Excise Tax Act. (5.31)

Recovery of expenditure. The recovery of an overpayment for a good or service purchased or of an excessive transfer. (5.05)

Recreation and culture. A function showing government participation in the provision of leisure activities and facilities. (6.28)

Reference period. The period - month, quarter or year - to which a set of statistics apply.

Refund of revenue. The partial or complete cancellation of a revenue such as the refunding of taxation or of an overpayment for a good or service. (5.05)

Regional planning and development. A function which identifies expenditures on planning and zoning, community and regional development and similar activities affecting municipal and regional infrastructures.

Research establishments. A function covering government agencies, together with support of individuals and non-government organizations, engaged in pure and applied research. (6.33)

Reserves. Amounts appropriated from profits or surplus and designated for general or specific uses. Under the Financial Management System these are viewed as components of surplus and are not identified separately from it. (7.01)

Resource conservation and industrial development. A function which identifies expenditures by government to conserve and develop natural resources and to promote the growth of industry. (6.26)

Return on investment. A revenue source covering remittances of profits, interest and dividends from a government's own enterprises and from other investments. (6.11)

Revenue (Financial Management System) comprises all monies received and/or deemed to be received by government other than through borrowing or recovery of previous lending. (5.03)

Revenue (Financial Management Economic Classification) identifies the economic sector from which FMS revenue is derived. (8.06)

Revenue source. A primary classification of revenue similar to a function of expenditure. (6.00)

Royalty. In FMS, the amount payable to a government as the owner for the privilege of exploiting a resource or property. (6.08)

S

Sales of goods and services. A revenue source which identifies the proceeds from general government's commercial transactions with organizations and individuals in the private sector and with other governments. (6.10)

Security. A document such as a bond or share indicating debt or ownership. In FMS all types of security are classified to the single asset category "Securities". (7.06/7.14/7.15)

Separate existence. This criterion for identifying a government enterprise requires that it have a separate status from its parent. (3.10)

Social insurance levies. See "Health and social insurance levies".

Social services. A function which identifies expenditures made to forestall or offset situations where the well being of persons is threatened by circumstances beyond their control. (6.24)

Source and application of funds. A framework for the analysis of the funds available to a government beyond gross general revenue and for its outlays in addition to gross general expenditure. (7.19)

Special assessments. Property taxes levied on a specific group of properties to pay for a service supplied only to that group. (6.04)

Special fund. An agency (q.v.) which is an extension of a department. (3.01/3.03(b) to (g))

Specific purpose transfer. A transfer (q.v.) requiring the recipient to fulfill certain conditions to qualify for the transfer or restricting the use to which the monies may be put. (6.00)

Statement of net worth identifies the capital stock and surplus of a government enterprise. (10.12)

Statement of unappropriated surplus summarizes the financial transactions (other than revenue and expenditure) in a reference period which affect the surplus of an enterprise but cannot be assigned to appropriated or contributed surplus. (10.08)

Subsidiary. An entity with more than 50% of its rights of ownership vested in an enterprise (q.v.). The majority ownership criterion also applies to a subsidiary of a subsidiary. (3.11)

Surplus. The excess of net assets of a government enterprise over its capital stock. In addition to Unappropriated surplus it comprises (a) Appropriated surplus - the typical reserves - and (b) Contributed surplus - donations of money and/or physical assets from the parent government. (10.12)

I

Tax on payments to non-residents. A revenue source identifying collections of the federal tax on payments of dividends, interest, rents, royalties, etc. made to non-residents. (6.03)

Tax rebates and/or credits. Reductions in taxes made to assist certain classes of taxpayers, to act as incentives to particular industries or types of activity or to avoid double taxation. (5.08)

Trade Account. In FMS an outstanding receivable or payable relating to goods and/or services sold to or purchased from other than government. (7.04/7.09)

Transfer. A conveyance of monies for which the transferor receives no direct benefit. Sub-classifications are "General purpose" and "Specific purpose" (q.v.). (5.19)

Transfers to own enterprises. A function which identifies amounts paid by a government to its enterprises for operating purposes. (6.35)

Transportation and communications. A function covering all outlays for the acquisition, construction, operation and maintenance of transportation and communication facilities including related engineering and technical surveys. (6.22)

Trust account. A control account established to segregate specific revenues which may be applied only to designated expenditures. (3.19)

Trust deposit. A control account oriented towards safekeeping, surety or investment. (3.19)

Trust fund. A legally constituted trust under which the independence of the beneficiary and the trustee is clear with the trustee being in full control of the trust property. (3.19)

U

Unappropriated surplus. See "Statement of unappropriated surplus".

Unification convention. The convention under which the Financial Management System ignores the demarcations between the departments and agencies of a government and between the parent company and the subsidiaries of a government enterprise and consolidates them into a single government or enterprise. (5.01)

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