

# Specification for Municipal Balance Sheet, Analysis and Classification.

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## Revenues and Disbursements.

## Assets and Liabilities.

Revenue ....	<b>ORDINARY :</b> Cash on hand and in Bank Taxes, divided as to years Licenses Schools, divided as to Public, High and Separate Water Rates Electric Light Franchises Fines and Fees Rents Interest Other Sources
	<b>EXTRAORDINARY :</b> Loans, Current Account Debentures, General Debentures, Local Improvement Sinking Fund Sinking Fund Interest Other Sources
Expenditure	<b>ORDINARY :</b> Salaries. Waterworks Electric Light Grants and Charities Board of Works Fire Administration of Justice Police Department Health Parks Market Library Schools, divided as to Public, High and Separate Printing, Advertising and Stationery Interest Rebates and Allowances Contingencies Other sources
	<b>EXTRAORDINARY :</b> Loans, Current Debentures, General Debentures, Local Improvement Interest—General Debentures Interest—Local Improvement Debentures Sinking Fund Public Works in progress Local Improvements in progress Other sources.

Assets ....	<b>ACTIVE.....</b> Cash on hand Cash in Bank Taxes { Current Arrears Water-Rates Light-Rates Rents Advances, Public Works in progress Advances, Local Improvements in progress Other Advances
	<b>RESERVE.....</b> Sinking Fund, General Sinking Fund, Local Improvements Special Trust Funds
Assets ....	<b>FIXED.....</b> NECESSARY INVESTMENTS. Waterworks System Electric Light System Fire Halls and Apparatus Market School Buildings and Equipments City Hall and Furniture Public Library Public Park Real Estate Hospital Public Works Equipment Other necessary Investments
	<b>SPECULATIVE INVESTMENTS.</b> Stock in Railways Stock in Gravel Road Companies Other Speculative Investments
Liabilities	<b>PASSIVE.....</b> Bridges Sewers Pavements Bonus Account Local Improvements
	<b>BONDED .....</b> Debentures, General Debentures, Local Improvement
Liabilities	<b>FLOATING ...</b> Debentures, due and unpaid Coupons, due and unpaid Loans, Current Loans, Local Improvement, in progress Accounts payable Other Indebtedness
	<b>CAPITAL.....</b> Surplus of Assets over Liabilities

## Auditors and Their Duties.

It is a duty of every council to appoint, at its first meeting, two auditors, unless a by-law has been passed appointing a permanent auditor or to provide for their appointment in November or December each year. (See sec. 9 and 10, Municipal Amendment Act, 1898.

Auditors should receive a salary sufficient to pay them for the time necessary to fully investigate the treasurer's accounts and system of doing business.

A most important duty of municipal auditors is the examination and audit of collector's rolls. This is usually neglected, and as a result there is no check on the clerk's work or any assurance that special or other rates have been properly entered on the roll, or that amount paid to treasurer is correct. For the information of auditors, who may have this duty to perform for the first time, the following mode of procedure is suggested:

I. Compare the assessment roll with the collector's roll, to see that the assessed

values on which the rates are levied, are correctly entered.

II. In townships compare school section entries with the school section map, and in all municipalities with separate school supporters notice-book and check valuations on which school rates have been levied.

III. Check all entries and additions on the roll.

IV. Verify the correctness of all rates and taxes levied by by-laws, proceedings of council, engineer's drainage awards and certificates, statute labor lists, fenceviewers awards, county treasurer's returns, treasurer's accounts, school board requisitions or other authority.

V. The collector's account with treasurer should be examined, and also settlement of roll which should be verified under oath and in accordance with sections 147 and 148, of The Assessment Act.

VI. Check the return to treasurer of unpaid taxes required by section 157, of The Assessment Act.

Unless there is evidence that the audi-

tors for 1900 did their work properly, the auditors for this year will, in most cases, have to check the collector's roll and settlement for 1899. Very few collectors made their returns previous to the 1st of January last year.

It will also be necessary to check the roll for 1900, to make proper statement of assets, showing amount due from collector's roll, and for this purpose the roll should be procured from the collector if it is still in his hands.

Every stub of the treasurer's receipt-book, and every document or roll audited, should be properly stamped as required by the Act of 1898. The treasurer should produce all vouchers, stubs, letters, and letter books, and it is the auditor's duty to verify all receipts from every source, and see that they are entered in the cash-book.

If any source of revenue has ceased to exist, or if the last payment has been made on any special assessment, the auditors