

It will be seen that the statement under review is divided under the headings:—

REVENUE ACCOUNT

CONSTRUCTION ACCOUNT

DEPRECIATION ACCOUNT

RESERVE FUND

BALANCE SHEET

Any one of these headings represents a subject broad enough to occupy the entire time allotted for an address at such a gathering as this.

It is my intention to take up each one of these headings as briefly as possible to touch on the salient points of each and convey as much useful information as time will permit.

Before doing so I desire to state the important points brought out by the questions asked and answers received which throws further light on the workings of the Company under review.

REVENUE

(a) To the revenue account is charged new telephones, supplies, material, etc., used in repairs, also work performed, the payment of which is credited revenue account.

(b) Interest credited revenue account is the interest received on the reserve and other funds of the company from the bank.

(c) Dividends—\$651.30 is amount paid in 1916 on dividend No. 12, due Dec. 30th, 1915.

(d) The BALANCES shown in the respective accounts as of Dec. 31st, 1915, and the balances at the end of the year Dec. 31st, 1916, are actual cash balances in the bank at that time.

CONSTRUCTION.

(e) Expenditures under this head cover extension of plant for installing new subscribers. Material originally charged to construction account.

BALANCE SHEET

(g) There is no loss, and to the question was there no cash on hand or in the bank? the reply was: There is an actual cash balance on hand and in the bank made up as follows:—

Balance in Reserve Account	\$2051 38
Balance in Depreciation Account	639 52
Balance in Reserve Account	1600 00
	\$4290 90

which is shown in the balance sheet only among the liabilities as:—

Unclaimed Dividends	\$ 20 40
Dividend No. 13, due Dec. 30, 1916	654 00
Net Surplus	1376 98
	\$2051 38