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Loren A. Wenzel

Stanley D. Tonge

Peter L. McMickle

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Loren A. Wenzel
MANKATO STATE UNIVERSITY
Stanley D. Tonge
UNIVERSITY OF MINNESOTA - DULUTH
and
Peter L. McMickle
MEMPHIS STATE UNIVERSITY

AN ANALYSIS OF THE TOWN OFFICER (1791-1815): THE EARLIEST AMERICAN TREATISE ON MUNICIPAL ACCOUNTING?

Abstract: Recent research has produced the earliest known treatise on Accounting written by an American. Samuel Freeman's *The Town Officer* [1791] is significant in that it recommended double-entry fund accounting for municipalities. The paper analyzes and compares Freeman's objectives of "a plain and regular Method" to modern municipal accounting concepts as articulated by the GASB. Additionally, the entries and the accounts recommended by Freeman are analyzed and compared to modern municipal accounting evidenced in current textbook material. These analyses show *The Town Officer* to be a significant contribution to accounting literature not only for its 1791 publication date, but also for the similarity of its content to present day municipal accounting objectives and requirements.

Accounting historians have continually searched for the first accounting books published in America. Bentley and Leonard [1934] list William Mitchell's *New and Complete System of Bookkeeping by an Improved Method of Double Entry*, Philadelphia, 1796, as the first work on accounting by an American author. Potts [1976, p. 49] identified Mills' 1878 book entitled *Public Accounts . . .* as "The first known American treatise dealing with public sector accounting." Recent research [McMickle, Wenzel, and Jensen, 1986] has led to the discovery of *The Town Officer*, first published by Samuel Freeman in 1791. This previously unrecognized work which predates the aforementioned

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books should be added to the list of America's earliest writings on accounting.

Prior to its discovery in 1986, Freeman's 1791 book entitled,

*The Town Officer, or the Power and Duty of, Selectmen, Town Clerks, Town Treasurers, Overseers of the Poor, Assessors, Constables, Collectors of Taxes, Surveyors of High Ways, Surveyors of Lumber, Fence Viewers and other TOWN OFFICERS. As contained in the Laws of the Commonwealth of Massachusetts. With a Variety of Forms, For the use of Such Officers. To which are added, The Power and Duty of Towns, Parishes and Plantations. And a "plain and regular METHOD" to keep ACCOUNTS of the Expenditures of Monies voted by a TOWN; upon an inspection of which, the State of its FINANCES may at any time be known, (hereafter referred to as *The Town Officer*),*

was not listed in any bibliography of American accountancy.¹ A preliminary examination of *The Town Officer* first appeared in a working paper at Memphis State University in 1986 [McMickle, et al.]. An annotated bibliographic reference to Freeman's work later appeared in *The Origins of a Great Profession* [McMickle and Vangermeersch, 1987, 67-73]. Finally, a brief review of the treatise and a detailed bibliography for each edition was presented in *The Birth of American Accountancy* [McMickle and Jensen, 1988]. Although the above sources all claimed Freeman's 1791 work to be the first American treatise on municipal accounting, the authors are unaware of any prior effort to describe or analyze in detail Freeman's "plain and regular METHOD" outlined in *The Town Officer*.

This paper is the culmination of an ongoing research project on *The Town Officer*. The study is limited to the examination of the one section concerning the keeping of town accounts. These accounts are analyzed and compared to current concepts and modern municipal accounting practices as evidenced in current textual material and GASB standards. Eight editions of this work were published. Based on a comparison of the 1793 edition to the 1791 edition, it was determined that the sections that dealt with town accounts were essentially identical. Access to the 1791 edition was limited to the *American*

¹ This title is very descriptive; examination of the full title leaves little doubt concerning the contents of this work.

Antiquarian's Society microfilm copy. Therefore, the 1793 edition, available in hard copy, was used for a major portion of the analyses.

To gain a perspective of the significance of this work, a brief biography of the author is given in this paper. This is followed by a chronological review of all eight editions of this popular publication. Next, are detailed analyses of the accounts in Freeman's "plain and regular Method" and their relevance to modern Municipal Accounting. Finally, some topics of historical significance to accounting for municipalities are examined in an attempt to gain further insight into the origin of accounting for municipalities.

SAMUEL FREEMAN, ESQ.

The author of *The Town Officer*, Judge Samuel Freeman, was born on June 15, 1743, the son of Judge Enoch Freeman. Samuel Freeman died in 1831 at the age of 88 [Drake, 1879; Wallace, 1968]. His birthright, it appears, was to be a public servant and a politician. He was a prolific writer who wrote and edited many works. A brief description of Samuel Freeman's political career and publishing activity follows so that the reader may gain some perspective concerning his background and its possible relationship to his publishing activity.

Freeman zealously supported the American Revolution and was active in early revolutionary struggles. He became the Secretary of the Cumberland County (Maine) convention in 1774. In 1775 he was an "industrious and useful" member of the Provincial Congress. Freeman's political motivation and connection, whether through his father or his own activity, were further evidenced in 1775 by his appointment as clerk to the newly reorganized court. He continued in this position for forty-five years. In 1775 Freeman was also appointed a Register of Probate in which capacity he served until he was appointed judge in 1804. He served as judge until 1820. His political activity included membership in the House of Representatives in 1776 and 1778. Freeman also served as Postmaster of Portland (Maine) from 1776 to 1805 [Drake, 1879].²

²The *Biographical Directory of the American Congress 1774-1971* was checked and there is no indication that Samuel Freeman was a member of the United States House of Representatives. It is assumed, therefore, that he was a member of the Maine legislature.

Freeman's political activity did not prevent him from publishing. In fact, his tenure in public office may have inspired him to publish as a way to educate the town officers concerning the responsibilities and obligations of local government. It is reasonable to assume that his efforts also provided information to citizens about the intricacies of exercising their rights in using local government. Some of his publications include: *The Town Officer*; "American Clerk's Magazine" (1743-1831); *The Massachusetts Justice* (1803), of which there were eight volumes; and, "Probate Directory" (1803). He also edited the "Journal of Reverend Thomas Smith" published in 1821 [Drake, 1879].

CHRONOLOGY OF *THE TOWN OFFICER*

Freeman's first edition of *The Town Officer* was published in 1791. It was the first in a series of editions to contain a section on accounting for the finances of a town. It contained 178 pages, 23 of which dealt with town accounts. Due to its popularity, eight editions were ultimately published between 1791 and 1815. A printing history of *The Town Officer* is presented in Exhibit 1.³

EXHIBIT 1

Printing History of Samuel Freeman's *The Town Officer*

Date	Edition	Total Pages	Printer/Publisher	Place
1791	1st	178	Benjamin Titcomb	Portland, ME
1793	2nd	232	I. Thomas and E. T. Andrews	Boston, MA
1794	3rd	240	I. Thomas and E. T. Andrews	Boston, MA
1799	4th	281	I. Thomas and E. T. Andrews	Boston, MA
1802	5th	304	I. Thomas and E. T. Andrews	Boston, MA
1805	6th	342	J. T. Buckingham/Thomas and Andrews	Boston, MA
1808	7th	366	J. T. Buckingham/Thomas and Andrews	Boston, MA
1815	8th	372	J. T. Buckingham/Thomas and Andrews	Boston, MA

Source: Adapted with permission from *The Birth of American Accountancy* [McMickle, et al., 1988, p. 63].

³ Information concerning the location of various editions of *The Town Officer* and Freeman's other works was obtained and is available in *The National Union Catalog: Pre-1956 Imprints* [Mansell, 1971, p. 120].

Freeman considered the fourth edition of *The Town Officer*, published in 1799, “. . . to be a very improved edition.” In addition to amending the law changes, he decreased the size of the “. . . part of the work which respects accounts, and which has been considered by some rather complex, is made more plain and concise, These improvements, and the consequent enlargement of the work, although it in some degree enhances the price, make it more valuable than any of the former editions” [Freeman, 1815, p. VI]. An important feature of Freeman’s 1799 fourth edition is that it is the first time he used dollars instead of pounds sterling in labeling the amounts.⁴ The section on keeping accounts for the town decreases in relative size from the first edition to the fourth edition, due to the use of illustrations in place of much of the narrative description. The size of the section on town accounts remained approximately the same from the fourth edition through the eighth edition.

The remainder of this paper will describe Freeman’s “plain and regular METHOD” and evaluate whether this first book on keeping town accounts resembles the method used by today’s municipalities. It is appropriate to begin the evaluation with a comparison of modern “Objectives of Financial Reporting” for local governments articulated in *Concept Statement No. 1* [GASB, 1987] and the “importance” of keeping town accounts as explained by Freeman.

FREEMAN’S “plain and regular METHOD”

Objectives of Financial Reporting

The Governmental Accounting Standards Board (GASB) states in part in *Concept Statement No. 1* that:

1. Financial reporting should assist in fulfilling government’s duty to be publicly accountable and should enable users to assess that accountability. Financial reporting should:
 - (a) Provide information to determine whether current-year revenues were sufficient to pay for current year services.
 - (b) Demonstrate whether resources were obtained and used in accordance with the entity’s legally

⁴The use of pounds sterling provides evidence of English influence on the development of municipal accounting practices in America. An interesting perspective on the evolution of municipal accounting in England is supplied by D. M. Livock [1965] in “The Accounts of the Corporation of Bristol: 1532 to 1835.”

- adopted budget, and demonstrating compliance with other finance-related legal or contractual requirements.
- (c) Provide information to assist users in assessing the services, efforts, costs and accomplishments of the governmental entity.
2. Financial reporting should assist users in evaluating the operating results of the governmental entity. Financial reporting should:
 - (a) Provide information about sources and uses of financial resources.
 - (b) Provide information about how it financed its activities and met its cash requirements.
 - (c) Provide information necessary to determine whether its financial position improved or deteriorated as a result of the year's operations [GASB, 1987, p. 25].

Freeman's objectives were expressed as follows (*italics added for emphasis*):

As one of the great objects of government is to guard and defend the property of its subjects; as no publick (sic) measures engage the attention of a people more than those which affect publick use; and as nothing will ensure a cheerful acquiescence in such measures but an assurance that the monies thus taken from them are applied to the uses for which they were designed; it is of importance to all communities, that proper regulations should be established, whereby it may clearly appear, that such monies are faithfully expended, and regularly accounted for. Too much care cannot be taken in this business, as it relates to the raising and applying of taxes required for the support of the government, and the exigencies of a state; and it must be happy for the people of any state to have such a plan established, as shall provide effectual checks upon the several officers through whose hands their monies are to pass; and as shall exhibit at any time, such a state of the expenditures thereof, as will satisfy every reasonable person who may inspect the same.

Whether such a plan has been adopted, or is wanted in this state or not, is not for me to enquire (sic). My design is to form a *regular plan for keeping the accounts of a Town, by which its inhabitants may at any time know whether the monies which they may have voted at any meeting, be raised, collected, and expended, agreeably to their views in voting them* [Freeman, 1793, p. 170].

It becomes readily apparent upon examination and comparison of *Concept Statement No. 1*, "Objectives of Financial Reporting" [GASB, 1987] and Freeman's description of the importance of keeping town accounts and subsequent regulations, that there exist striking similarities between the articulated purposes of municipal accounting in 1987 and 1791. Certainly, while Freeman's expression of the objectives may be slightly different from the GASB's, the substance and the content of both appear to focus on accountability, reporting, and control.

To meet the above stated objectives, Freeman enumerated seven regulations. Regulations one through five state, in part, that subsequent to a vote at a town meeting to raise money, the town clerk should make out two lists of accounts expressing the sums and the purposes of raising the money. He should give one list to the selectmen (representatives) and one to the assessor. These lists would be used to compare collections to appropriations. The assessor would certify to the selectmen and treasurer the money and the amounts charged to the collectors.⁵ The regulations basically provide for control over the money appropriated. Procedures are also set out to account for the money appropriated but not expended. An interesting footnote suggests that "an estimate of the sums proposed to be raised, should be laid before the town, that the town may have opportunity to consider the same. . . ." [Freeman, 1793, p. 171]. This statement implies that a budget be presented to the citizens of the town for their approval.

Regulations six and seven state that at every annual meeting the selectmen should present to the town the state of their accounts where the accounts could be compared to the monies voted. These regulations, while specifically calling for annual reports, also indirectly paved the way for an audit of the municipal accounts and the financial affairs of the town. Another interesting footnote recommends that a law be passed that provided for a Town Accountant to keep the financial records of the town rather than the selectmen, whose responsibility for the accounts was previously stated. It appears that Freeman had second thoughts about the selectmen's ability or time to keep accounts, thus the recommendation for a Town Accountant.

⁵Freeman was recommending three lists in the eighth edition. The third list would be passed to the treasurer. The collectors would then certify the collections to the selectmen, assessor, and treasurer. Each would have his own list of "sums and purposes" to which collections could be compared.

Freeman's regulations, which were general in nature and provided system controls, laid the foundation on which Freeman built his specific set of rules of accounting for the monies voted by the town.

Freeman's suggested rules were present in the first three editions, 1791, 1793, and 1794, of *The Town Officer*, where he verbalized the prescribed accounting treatment shown in the examples that followed. In an effort to keep subsequent editions to a manageable size, he omitted this section and showed the examples directly following the regulations. This practice started with the fourth edition in 1799 and remained in effect through the eighth edition published in 1815.

The System of Town Accounts

The first and second editions of *The Town Officer* [1791 and 1793] explained the entries that were to be made before exhibiting the accounts. It is clear upon examination of these accounts that Freeman was aware of the fiduciary nature of government. His purpose in describing municipal accounting was to enable better control and to assure that the monies voted by the town and collected through taxes were expended for the purposes for which they were intended.

Freeman's "plain and regular METHOD" outlined in the 1791 and 1793 editions consisted of several Forms and fifteen Accounts. The Forms are listed in Exhibit 2. Forms I-III were analogous to modern day single column journals. In fact, by the eighth edition, the forms were called journals. Forms IV and VI were in the nature of charge and discharge financial reports.

EXHIBIT 2

Forms Recommended by Freeman's *The Town Officer*

Number	Title
I	Account of monies voted by the Town
II	Assessors' Certificate of the amount of monies assessed
III	Account of orders drawn by Selectmen on the Town Treasurer
IV	Exhibit of a Collector's bill
V	Selectmen's certificate to the Treasurer of the sums allowed to a Collector for his commission
VI	State of the Town's finances, as exhibited to the Town by the Selectmen

Source: *The Town Officer* [Freeman, 1793].

The fifteen Accounts recommended by Freeman are presented in Exhibit 3. It should be noted that the account order and titles were somewhat different by the eighth edition, how-

EXHIBIT 3

Accounts Recommended by Freeman's *The Town Officer*

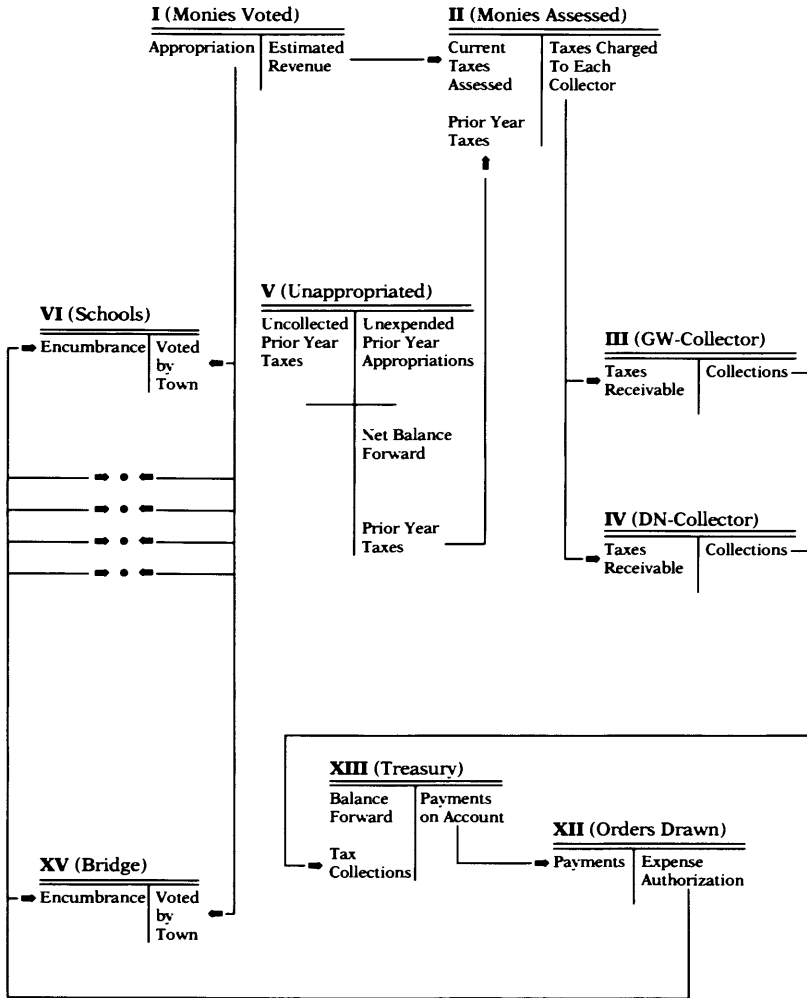
Number	Title
I	Monies voted by the Town
II	Monies assessed
III	G. W., Collector
IV	D. N., Collector
V	Monies belonging to the Town, unappropriated
VI	Expenditures of monies voted for the support of schools
VII	Expenditures of monies voted for the support of the poor
VIII	Expenditures of monies voted for building a school house
IX	Expenditures of monies voted for payment of accounts allowed by the Town
X	Expenditures of monies voted for contingencies
XI	Expenditures of monies voted for commissions of the Treasurer and Collector
XII	Orders drawn by Selectmen upon the Town Treasurer
XIII	Treasurer of the Town
XIV	Expenditures of monies voted for the building of a work house
XV	Expenditures of monies voted for the building of a bridge

Source: *The Town Officer* [Freeman, 1793].

ever, they operated essentially the same way. A graphic overview of Freeman's recommended accounts and his "plain and regular" system is presented in Figure 1. This illustration was created by the authors to enhance the detailed narrative discussion of the operation of the Forms (Exhibit 2) and Accounts (Exhibit 3) presented next.

Authorized expenditures, based on the town budget, were recorded on Form I, "Accounts of monies voted by the Town."

FIGURE 1
The System of Accounts Recommended by Freeman's
The Town Officer



Note The account numbers in Figure 1 correspond directly to those given in Exhibit 3; however, the account titles in Figure 1 are an abbreviated form of the titles given in Exhibit 3. Additionally, the debit and credit entries are a combination of Freeman's and current terminology in an attempt to emphasize the similarities of Freeman's "METHOD" to modern practice.

The Selectman (or the town accountant, if the laws and finances allowed) made the following entry:

<i>Abbreviated account titles</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Monies voted by the town	I	xx	
Expenditures on monies voted for:			xx
the support of schools	VI		xx
the support of the poor	VII		xx
building a school house	VIII		xx
payment of accounts of the town	IX		xx
contingencies	X		xx
commissions for Treas/Collect	XI		xx
orders drawn by selectmen	XII		xx
building of work house	XIV		xx
building of a bridge	XV		xx

While the accounts were entitled *Expenditures*, their primary purpose was to record the budgeted appropriations. Under current practices, the entry would be made as follows:⁶

	<i>Dr</i>	<i>Cr</i>
Fund Balance	xx	
Appropriations		xx

In contrast to Freeman’s use of the general ledger for each type of authorized expenditure, current practice is to credit the details of the appropriations to subsidiary ledger accounts.

The accounts and forms suggest that property taxes were the primary source of revenues. These taxes were assessed in advance and initially recorded on Form II, *Assessor’s Certificate of amount of monies assessed*. The assessed taxes were entered as:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Monies Assessed	II	xx	
Monies voted by the town	I		xx

Freeman’s entry for *Monies assessed* served essentially the same purpose as the entry for estimated revenues in modern municipal accounting. Under current practice the entry would be:

	<i>Dr</i>	<i>Cr</i>
Estimated Revenues	xx	
Fund Balance		xx

⁶Current practice for this entry and all subsequent entries is based on *Accounting for Governmental and Nonprofit Entities* [Hay and Wilson, 1992].

While towns in Freeman's period had one main revenue source, today most municipalities have multiple revenue sources. These multiple revenues are debited to subsidiary ledger accounts.

After posting the above entries, Account I, *Monies voted by the town*, had a zero balance. While not discussed, presumably any difference between the *monies voted* (Form I) and the *monies assessed* (Form II) would have to be posted to Account V. Account V, while entitled *Unappropriated town monies*, was essentially the Fund Balance. Thus, the end result would be the same as current practice where the initial Fund Balance is the difference between estimated revenues and appropriations.

Account I, *Monies voted by the town*, could also be considered as a single budgetary control account containing a debit for appropriations and a credit for estimated revenues. This differs only in form from the current practice where separate control accounts are utilized for estimated revenues and appropriations, both of which are supported by subsidiary ledgers.

The principal debit to Account II, *Monies assessed*, was for current assessed taxes, as discussed above. The account was also debited for uncollected taxes from prior years, as follows:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Monies assessed	II	xx	
Unappropriated town monies	V		xx

The uncollected prior years taxes were in the *Unappropriated town monies* account as a result of a previous year end closing entry, as discussed later.

Once all of the debits were posted to Account II, the entire balance was charged to the various collectors with the following entry:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
G. W. collector	III	xx	
D. N. collector	IV	xx	
Monies assessed	II		xx

Thus, Account II is analogous to today's taxes receivable control account with Accounts III and IV representing the subsidiary accounts.

Each collector's tax receipts were delivered to the Treasurer and recorded as follows:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Treasurer of the town	XIII	xx	
G. W. collector	III		xx
D. N. collector	IV		xx

Additionally, the collectors made a periodic accounting to the Selectmen on Form IV, *Exhibit of Collector's Bill*. Finally, at the end of each year the balance of each collector's account, representing uncollected taxes, was closed to the *Unappropriated town monies Account*.

Specific expenditures approved by the town Selectmen were recorded on Form III, *Orders drawn by Selectmen on the Town Treasurer*. Form III was the source document for debts to the various Expenditure Accounts VI, VII, etc. For example, the approval of a specific expenditure for schools would be entered as follows:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Expenditures for support of school	VI	xx	
Orders drawn by Selectmen	XII		xx

Today this event would be recorded as:

Encumbrances		xx	
Reserve for encumbrances			xx

Therefore, Freeman's *Account XII* served the same purpose as today's *Reserve for Encumbrance*. Furthermore, the *Expenditure Accounts* contained both the appropriations and the approved expenditures. Current practice, as shown above and in earlier discussion, is to record the appropriations and encumbrances in separate accounts. Form notwithstanding, the purpose then, as it is today, was to provide a control over appropriations to prevent the Selectmen from approving more than the town voted for any particular purpose. The actual disbursements for approved expenditures were recorded as:

<i>Abbreviated account title</i>	<i>Acct #</i>	<i>Dr</i>	<i>Cr</i>
Orders drawn by Selectmen	XII	xx	
Treasurer of the town	XIII		xx

At the end of each year, the uncommitted appropriates, as represented by the balances in the various *Expenditure Accounts VI, VII, etc.*, were closed to the *Unappropriated town monies* (Account V). As a result, the balance in *Account V* was equal to the balance in *Treasurer of the town* (Account XIII). That is, based on current terminology, the cash account was equal to the Fund Balance and the cash was available for the following year's operations.

COMPARISON OF TOWN ACCOUNTS TO CURRENT PRACTICE

In summary, Freeman recommended the use of fifteen Accounts, two of which resembled subsidiary accounts. Even though Freeman did not use the term *Fund*, the General Fund in modern municipal accounting is similar to the "plain and regular METHOD" described by Freeman in 1791. The General Fund is one of seven types of funds recommended by the Governmental Accounting Standards Board [Hay and Wilson, 1991, p. 17]. The General Fund of a governmental unit is made up of the resources available to carry on the unit's operating activities. It is an independent fiscal and self-balancing accounting entity used to account for the flow of these resources. The General Fund entity contains, as a minimum, asset, liability, surplus (fund-balance), revenue and expenditure accounts. It also contains budgetary accounts for estimated revenue and appropriations.

By comparison, Freeman's accounts were also used to account for the resources segregated to carry on the town's operating activities. Freeman's "plain and regular METHOD" also contained revenue, surplus, expenditure, and asset accounts. For example, Account II, *Monies Assessed*, and Account XIII, *Treasurer of the Town*, represent Taxes Receivable and Cash, respectively. Account XII, *Orders drawn by Selectmen*, while analogous to Reserve for Encumbrances, essentially serves the same purpose as a liability account. Thus, Freeman's "plain and regular METHOD", while similar to modern day municipal accounting, was not as elaborate and required fewer entries.

Additionally, Freeman recommended the use of double-entry accounting on the modified accrual basis. Revenues were recorded when available and measurable (Form II) and expenditures were recognized when incurred and measurable (Form III). The "plain and regular METHOD" contained budgetary accounts for estimated revenues, appropriations, and described the concept of encumbrances. It is remarkable that a book written in 1791(1793) so closely describes contemporary accounting practices for municipalities.

SIGNIFICANT CONTRIBUTIONS

The purpose of *The Town Officer* was to propagate a knowledge of the laws of government to both the public servants and

the citizenry of Massachusetts because, "Perhaps the evils existing in society from an inattention to its laws, arise more from the want of knowing them, than from the want of a disposition to observe them:

And when it is considered, that everyone who sustains an office is not able to furnish himself with the laws at large, . . . it is not to be wondered at that a neglect of them should any where prevail [Freeman, 1815, p. 3].

The significance of *The Town Officer* to accounting historians and accountants in general is that this may very well have been the first American book that addressed accounting for a governmental entity of any type. The title clearly states that part of the content of *The Town Officer* is devoted to ". . . a plain and regular METHOD to keep ACCOUNTS of the EXPENDITURES of MONIES voted by a TOWN; upon an inspection of which, the State of its FINANCES may at any time be known." [Freeman, 1793, p. 170]. The title not only states its purpose as accounting for the governmental entity of a town, but also that the accounts should be in such order as to provide for an audit or an inspection such that the financial condition of the town may be determined at any time.

Freeman recognized the fiduciary relationship of government to its citizens in his opening paragraph of the section on town accounts. This section was quoted in full above, therefore it will not be repeated here. Few differences exist between the modern General Fund and Freeman's "plain and regular METHOD." The entries he recommended, although fewer, were essentially modified accrual basis accounting. Although the term *Fund* is not mentioned, Freeman's method was self balancing to the extent that assets (*Treasurer's cash*, Account XIII) would equal *Fund Balance* (Account V, *Monies Unappropriated*) at the end of the accounting period. He made provision in the accounts for a budget (*Estimate*) and for an extraordinary amount of control over the town monies. With the system recommended by Freeman, an interested party could tell if the appropriations and the assessments were collected. Freeman also recommended that separate accounts be kept for specific expenditures. Finally, there are two places in *The Town Officer* where he recommended the audit of the town accounts. He states, ". . . [a] committee of the town as may be appointed to examine and adjust said accounts" [Freeman, 1793, p. 192]. An-

other reference to audit is made in the following footnote, "The treasurer's account should be settled by the selectmen, and settled annually, previous to the March or April meeting" [p. 193]. The significance of the first edition of *The Town Officer* is evident, as it was one of the first publications, if not the first, on municipal accounting in America.

SUMMARY AND CONCLUDING REMARKS

Judge Samuel Freeman's *The Town Officer* was one of the most useful books to eighteenth century Americans. It provided civil servants with a handbook of duties and power. It informed the citizens of their rights and responsibilities under the law; indeed, one of its stated purposes was to protect the public by imparting upon them certain knowledge of the law of the time. Later editions also included the *Constitution of the United States* as well as that of the Commonwealth of Massachusetts. However, the main purpose of this paper is to examine *The Town Officer* for its contributions to municipal accounting. It appears that Freeman's concept of town accounts resembles that of the modern day General Fund. His method was complete concerning the idea of the fiduciary role of government when accounting for its citizens' monies. Freeman recommended annual audits and provided for budgetary control. That many of Freeman's recommendations still pervade modern municipal accounting proves it to be a significant writing in the early history of American accountancy.

Future Research

The eight editions of Freeman's *The Town Officer* covered the period from 1791 to 1815. The book previously recognized as the first treatise on municipal accounting in America was published in 1878 [Potts, 1976]. Therefore, there appears to be a 63 year "gap" in the literature dealing with municipal accounting in America. Accounting historians should seek to fill this void through further research to discover previously undiscovered treatises on municipal accounting published between 1815 and 1878.

Finally, two questions are implied by the fact that Freeman was one of the first to discuss the importance of accountability for public "monies". First, were Freeman's recommendations for annual audits of municipal accounts ever implemented? Second, did Freeman's description contribute to the formalization

of keeping and/or auditing municipal accounts in Maine, New England, or the United States?

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ILLUSTRATION 1

Title Page from the 2nd edition of *The Town Officer*, 1793

T H E
TOWN OFFICER;

OR THE

POWER AND DUTY OF

SELECTMEN, TOWN CLERKS, TOWN TREASURERS, OVERSEERS OF THE POOR, ASSESSORS,		CONSTABLES, COLLECTORS OF TAXES, SURVEYORS OF HIGH WAYS, SURVEYORS OF LUMBER, FENCE VIEWERS,
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AND OTHER TOWN OFFICERS.

AS CONTAINED IN THE

LAWS OF THE COMMONWEALTH OF
MASSACHUSETTS.

WITH A VARIETY OF FORMS,

FOR THE USE OF SUCH OFFICERS.

To which are added,

THE POWER AND DUTY OF
TOWNS, PARISHES AND PLANTATIONS.

And a plain and regular METHOD to keep ACCOUNTS of the EXPENDITURES of MONIES voted by a TOWN; upon an inspection of which, the state of its FINANCES may at any time be known.

BY SAMUEL FREEMAN, Esq.

PRINTED at BOSTON,
BY I. THOMAS AND E. T. ANDREWS,
PROPRIETORS of the WORK.

FRANK'S STATUE, No. 45, NEWBURY STREET.

MDCXCIII.

ILLUSTRATION 2

Advertisement in the 1815 8th edition of *The Town Officer*

ADVERTISEMENT.

parts of the work which respects accounts, and which has been corrected by some rather complex; it made more plain and concise. These improvements, and the consequent enlargement of the work, although it in some degree enhances the price, make it more valuable than any of its former editions.

FIFTH EDITION.

THIS edition is made conformable to the laws which have been enacted since the fourth edition was printed; some additional forms are added; and instead of the different law books (all of which, very few, if any, are in possession of) the references are made to the year in which the laws were printed. The inspection laws are inserted at large. A table for receiving and paying gold coin is also inserted. Also the bill of rights, and the substance of the constitution of the commonwealth of Massachusetts, and other improvements made, without any addition to the price.

SIXTH EDITION.

INSTEAD of the "substance," the whole of the constitution of the commonwealth is here inserted. Some articles are differently arranged, and others, that were in several places, collected together and references made thereto. Some new laws are added in the Appendix, and such as have been repealed, left out.

SEVENTH EDITION.

IN this edition, besides the improvements that were judged useful, and which some new laws rendered necessary, the table of crimes and punishments, has been carefully revised and made conformable to the laws that have been enacted since the impression of the sixth edition, and gives a view of all the laws which are the subjects of it, that are now in force. The constitution of the United States is also added to this edition.

EIGHTH EDITION.

SUFFICES it to say, as to this edition, that it is made to conform to the laws that have been enacted since the publication of the former one. Some late Inspection and Election Laws are added in this edition.

ADVERTISEMENT.

RESPECTING THE SECOND EDITION.

THE rapid sale of the first edition of this book, which evinces the general approbation it has met with, has induced the author to revise it for a second impression. Upon this revision, he has applied such deficiencies, and made such corrections and amendments, as appeared to be necessary. He has also added several useful particulars and forms, which he found wanting, and made such alterations as were necessary to correspond with the laws of the commonwealth, passed since that edition was printed. The laws respecting the observation of the Sabbath, in particular, (by which the office of a Warden has become extinct) is introduced as it has been lately passed by the legislature; and such additional laws as that law has annexed to the "Power and Duty of TOWNSMEN" are inserted under that head. Those improvements cannot fail to render it useful to persons of almost every description: but more especially to those who have any comprehensive affairs.

THIRD EDITION.

THIS edition embraces the several laws respecting town officers, which have been enacted since the impression of the second edition, particularly those which relate to the militia, the regulations, the appointment of grand jurors, the legal settlement of a person in any town, the relief and support, employment and removal of the poor. The power and duty of most of the town officers are more particularly set forth, and some new forms inserted. And an APPENDIX is added, containing the art for distributing the commonwealth for the choice of members of congress, and the necessary forms for the due execution of it.

FOURTH EDITION.

THIS is a very improved edition: No only such alterations are made as amendatory and additional laws have rendered necessary, but the article under the duty of selectmen, town clerks, town-treasurers, assessors, constables and collectors of taxes, which consisted of a greater number of particulars than that of the other officers, the several subjects whereof could not therefore so readily be found, are in this edition alphabetically arranged, so-and-that

A. 2.

ILLUSTRATION 3

Forms I and II

<p>376 A C C O U N T S.</p> <p>4. That the amount of the two accounts of monies voted, and monies unappropriated, deducting the abatements charged in the account last mentioned, are equal to the amount of the several accounts of monies expended.</p> <p><i>NOTE. To prevent confusion in mixing the former transactions of a town with future ones, it may be well for the inhabitants of any town, who should approve of the present plan, to settle with their treasurer and collectors—either a state of their accounts in a distinct book, and compare the amount of the sums in their hands with their former votes for raising money. If on such settlements it should be found that there will not be sufficient sums in their hands to answer the purposes designed, let what may remain be applied thereto as far as it will go, and let the town vote as much more money as will be necessary to make up the deficiency, of the expenditure of which, an account may be raised as in other cases. If there should be a surplus, let it be paid when collected into the treasury, charged to the treasurer, and mixed on the credit side of the account of monies unappropriated, to be appropriated whenever the town should desire.</i></p>	<p>A C C O U N T S.</p> <p>Brought up £900</p> <p>For contingencies. 50</p> <p>For the treasurer's and collector's commissions. 50</p> <hr/> <p>In the whole £1000</p> <p>II.</p> <p><i>Affidavit Certificate of the amount of Monies Effected &c.</i></p> <p>To the Selectmen of the Town of P—t or, To the Treasurer of the Town of P—t</p> <p>THE following is a state of the affirmments made by us upon the polls and estates of the inhabitants of said town, which we have committed to the collectors thereof to collect, viz.</p> <p>One bill dated— committed to Mr. G. W. amounting with the overlays to £625, which he is to collect and pay into the treasury on or before the day of — next.</p> <p>Another dated— (or of the same date, as the case may be) committed to Mr. D. N. amounting, with the overlays, to £415 which he is to collect and pay into the treasury on or before the day of — next</p> <p>The sum voted by the town £1000</p>	<p>F O R M S.</p> <p><i>Account of monies voted by a Town.</i></p> <p>AT a legal meeting of the inhabitants of the town of P—t holden at the— in said town, April 4 1791.</p> <p>The following sums were voted to be raised by an affidavit upon the polls and estates of the inhabitants of said town according to law, for the purposes hereafter expressed, viz.</p> <p>For the support of schools. £300</p> <p>For the support of the poor. 250</p> <p>For building a school house. 150</p> <p>For the payment of accounts allowed by the town. 200</p> <hr/> <p>Carried over £900</p> <p>T or £1000</p>
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* If the freemen should be affidors, this certificate will to them be unnecessary. They ought however to enter the substance of it in their book.

Source: Samuel Freeman's *The Town Officer*, 2nd edition, 1793.

ILLUSTRATION 4

Account V "Monies belonging to the Town, Unappropriated"

1791		1791	
A C C O U N T S.		A C C O U N T S.	
1791	Account of Monies belonging to the Town unappropriated.	180	Brought over
182	To G. W. collector (No. III.) for abatements made from his bills dated and	181	By G. W. collector (No. III.) for additions to his bills dated and
182	To D. N. (No. IV.) for ditto made from his bills dated and	181	By D. N. collector (No. IV.) for additions to his town bill dated
183	To new account for the balance, being the amount of the nett sum belonging to the town unappropriated.	181	By ditto (No. IV.) for ditto to his state bill dated
	£440		By account of expenditure of monies voted for the poor (No. VII.) being so much more than was wanted for that purpose.
1792	To account of expenditure for paying the treasurer and collectors' commissions (No. XI.)	183	By E. J. treasurer, (No. XIII.) for fines by him received.
183	To account of expenditure towards building a work house (No. XIV.)	183	By ditto (No. XIII.) which he received of A. B. for a debt due to the town.
183	To account of expenditure of monies expended by the town to build a bridge over river.	183	By ditto (No. XIII.) he received of the state treasurer to reimburse what the town paid for supplies to the state poor.
	£413	183	By ditto (No. XIII.) for what he received of C. D. as a donation to the town.
1791	CONTRA.		By balance of the last account.
1791	By account of monies affixed (No. II.) for the amount of the funds over-laid in the tax bills committed to G. W. and D. N. Carried over		£423
	£70		£410
	£70		

Source: Samuel Freeman's *The Town Officer*, 2nd edition, 1793.