GENERAL STATEMENT

The principal work of Toronto's treasury department consists in:

1—Administering the city's finances.

2—Keeping accounts and rendering reports by means of which administrative officers, members of council and citizens may at all times have available information about the city's financial conditions and the results of financial transactions.

Administration of the City's Finances.

The scope of this survey does not include an audit of the city's accounts and financial statements; that is, it does not include inquiry into the city's financial condition. The balance sheets and other statements which are attached to this report are, therefore, to be considered as pro forma—presenting an analysis of balances and totals found on the books as of December 31, 1912. They are not offered as statements reflecting financial conditions. They are to be considered only as a basis for the discussion of accounting and reporting practices. Without a complete audit of the accounts and a careful determination, not only of the meaning of accounting balances and totals, but also as to whether all of the assets and liabilities are correctly represented on the books, it would be unwise to hazard an opinion with respect to conditions resulting from the administration of the city's financial affairs. This statement is made lest the data submitted might be used in a manner to affect the credit and borrowing reputation of the corporation. The critical comment and constructive recommendations contained in the report relate primarily to the methods of meeting the city's financial needs and to the practices pertaining to keeping accounts and rendering reports.

Fundamental Recommendations Pertaining to Methods of Financing.

With a view to laying a foundation for comment and constructive suggestion, methods of financing and of exerting control over the finances were gone into not only with executive and administrative officers but also with members of council. In view of the present situation it is recommended: