

vance of the general practice in Boards of Education or municipalities, and that before further alterations of the classification are undertaken the following suggestions should be considered:

1. That further studies be undertaken with a view to obtaining more accurate costs on the present classification. The costs as kept at present appear to be accurate in so far as they result from analysis made under the supervision of the Chief Accountant, Maintenance; but the necessity of handling the analysis of supply costs (if my recommendation regarding the transfer of this work from the Superintendent of Purchasing and Supplies is adopted) will create a further problem. The necessity of adopting some scientific method of determining the depreciation of capital assets must also be met if accurate costs are to be determined.
2. The present cost statements should be used more than they are at present. There is little real reason for keeping elaborate cost accounts unless the costs obtained are used in the management of the Board's business. In other words, if the costs are closely studied by the management and as a result of such study the management is able to eliminate waste that would not otherwise have been eliminated, then the expenditure in bookkeeper's salaries, etc., necessary for the keeping of cost accounts, is well repaid: always provided, however, that the money cost of the waste eliminated is greater than the cost of operating the cost system.
3. That further efforts should be made to get cost statements out more promptly."

#### "Conclusion.

I have endeavored in the above report to cover the points of importance in connection with the accounting methods of the Board. I have not made an audit and have, therefore, avoided any reference to questions concerning the accuracy or validity of the accounts. I have also avoided numerous minor points which are somewhat technical and of no public interest. I would suggest, however, a further development of the accounting methods as there are a number of places where minor improvements might be made which would save labor or which would result in more satisfactory information. On the whole, however, the Board has the basis of a very satisfactory accounting system."