

Buildings Account (a) and (b), all Boards, 31st December, 1908.

<i>Liabilities.</i>				<i>Assets.</i>			
		£				£	
Overdrafts ..	..	5,789		Cash ..	..	58,538	
Other liabilities ..	..	56,672		Due from all sources ..	..	60,923	
Balances ..	..	59,875		Deficits ..	..	2,875	
		<u>£122,336</u>				<u>£122,336</u>	
				Net balances 1st January, 1909 ..		<u>£57,000</u>	

The net balances at 1st January, 1908, amounted to £54,268, so that it will be seen that the total credit balances increased during the year by £2,732. As will appear, however, from what is stated below, this fact does not necessarily indicate a satisfactory condition of things, although at first sight it might seem to do so. From an examination of the grants made to the Boards for the maintenance and replacement of school buildings—see (a), above—and their returns of expenditure under these heads, it has been found that the School Buildings Maintenance Account should stand as shown in Table F3 (E.-2), a summary of which is given below :—

School Buildings Maintenance Account, all Boards, 31st December, 1908.

<i>Liabilities</i>				<i>Assets</i>			
		£				£	
Liabilities ..	..	7,504		Assets ..	..	1,117	
Net balance ..	..	94,954		Balances ..	..	101,341	
		<u>£102,458</u>				<u>£102,458</u>	

Judging from this statement, we should expect a net balance, available on 1st January, 1909, for the maintenance and rebuilding of school buildings, of £94,954. As the actual cost of maintenance and repairs has already been charged to the fund, it may be said that this net balance should be available for rebuilding worn-out schools and for replacing worn-out furniture, fittings, &c. But the Combined Buildings Account shows a net balance of only £57,000; by the conditions of the grants for new buildings and additions, which are made just sufficient to meet the ascertained cost of the works in question, there can be no balance on these grants, and the deficit, if any, should be comparatively small; further, out of the sum of £57,000 just mentioned, over £19,000 forms a trust fund, being made up of the balance of donations and the statutory subsidy thereon intended to provide for the erection of part of the proposed Auckland Technical School; accordingly, the portion of the balance presumably available for the proper purposes of the maintenance and rebuilding of schools cannot be more than £38,000—that is, £57,000 less £19,000. Hence, it would appear that the sum of £56,954 (that is, the difference between £94,954 and £38,000) has been diverted from the Buildings Maintenance Account to the erection of new school buildings.

It might be contended, on the other hand, that from 1905 to 1907, inclusive, the Boards have been allowed to spend sums, amounting in the aggregate to not more than 7 per cent. of the building maintenance grants, on “small alterations and additions”; also that by a circular of February, 1908, the limitation of the use of this proportion of the grants to small additions and alterations was removed; but it should be remarked that the last-named circular stated in clear terms the condition upon which any part of the grants could be so used—namely, only after the Boards had “made due provision for the requirements” in respect of maintenance and rebuilding; neither circular gives authority for using the money for or in aid of the cost of new schools. So many are the school buildings that will require to be replaced in a few years that it is doubtful whether many of the Boards could comply with the condition named—a condition that appears reasonable enough on the ground of prudence alone. Even had they all been able to make due provision for the rebuilding expenditure that is imminent, and yet have had 7 per cent. of the grants left for additions and alterations, the deficiency of £56,954 would not have been accounted for, as the total of the maintenance grants for the four years 1905–8 has been £227,794, and 7 per cent. of this, which, on the hypothesis just made, the Boards might have so spent on additions, &c., is £15,496. Hence, on the most liberal interpretation of the facts, the amount of money diverted from the proper