

The following is an approximate summary of the receipts and payments of all secondary schools (lower departments included, Wanganui Collegiate and Christ's College Grammar Schools excluded) for the year 1920. Owing to delay in the receipt of returns from one school the figures are not exactly, but very approximately, correct:—

SUMMARY OF THE STATEMENTS OF RECEIPTS AND PAYMENTS FOR THE YEAR 1920 FURNISHED BY
THE GOVERNING BODIES OF SECONDARY SCHOOLS.
(Wanganui Collegiate and Christ's College Grammar Schools not included.)

<i>Receipts.</i>		<i>Payments.</i>	
	£		£
Endowments—		Endowments (including proportion of office expenses)	6,787
Sales	820	Teachers' salaries and allowances	153,979
Lands vested in High School Boards ..	45,322	Incidental expenses of secondary departments—	
Secondary-education reserves	6,810	Office expenses and salaries (excluding endowments)	4,313
Interest on moneys invested	1,314	Printing, stationery, and advertising ..	3,964
Government grants—		Cleaning, heating, lighting, and care of school-grounds	10,187
Grants for buildings, sites, rent, apparatus, &c., and subsidies	36,918	Material, examinations, prizes, games, and other incidentals	4,056
For salaries and incidental expenses ..	128,759	Manual instruction (excluding buildings, &c.)	2,232
Capitation for manual instruction	3,302	Sites, buildings, furniture, apparatus, taxes, &c.	80,217
School fees	11,018	Lower Department Account	6,811
Lower Department Account	7,172	Hostels Account	57,424
Hostels Account	55,323	Investments, loans repaid, and interest ..	8,416
Loans, interest, &c.	10,545	Technical Classes Account	2,873
Technical Classes Account	2,890	Scholarships, advances to pupils, and miscellaneous	6,090
Voluntary contributions, income from property not reserves, refunds, and sundries ..	11,270		
	<u>£321,463</u>		<u>£347,349</u>

The amount expended exceeded the sum for the previous year by £78,772, the expenditure on salaries being £31,469 greater, on buildings and sites £26,228 greater, and on hostels-maintenance £15,435 greater; the last-named item was, however, compensated to a great extent by increased receipts amounting to £12,034.

The total payments for the year exceeded the receipts by £25,886; Government grants due, however, at the end of the year covered part of this deficiency on the year's working. The net income from endowments as defined above was £21,321; this sum, together with tuition fees and the Government grant for salaries and incidental expenses, should have covered the cost of these items; including, however, an amount of £7,000 due to the Boards at the end of the year there was a deficiency of £8,000 on this account. The deficiency is due, no doubt, to the incidental expenses of some schools being higher than the rate of £2 10s. per head allowed for; it is found that the cost ranged from £1·63 to £3·88, the average cost being £2·66. In some cases the cost is considered to be too high. The large expenditure on buildings is due to the purchase of sites and the erection of new and supplementary schools in several instances; there was also considerable expenditure on hostel buildings.

Several Boards have raised loans on the security of their income from endowments in order to finance necessary building operations; these loans will gradually be repaid out of the income from endowments. The total amount owing by the Boards at the end of the year by way of loans and bank overdrafts was £89,000; in addition there were other liabilities of £62,000, making a total of £151,000. Against this indebtedness credit bank balances and moneys due to the Boards amounted to £90,000, leaving a net debit balance of £61,000—£19,000 more than it was at the end of 1919.

The fact that any expenditure unauthorized by the Department made out of a Board's income from endowments results in a corresponding sum being deducted from the Government's payment to meet the cost of salaries, which are now defined by regulation, places the expenditure of secondary-school Boards to a great extent under the control of the Department, and results in a more uniform treatment of all secondary schools—richly endowed schools having little or no advantage over schools possessing no endowments. The new arrangement for the payment of salaries and incidental expenses came into force during the year 1920, the amending