NEEDLEWORK.—The system so long carried out of having the sewing of the girls sent to the Education Office for examination and marking still continues with one slight modification. Special examiners were appointed for Gisborne; but the same plan of marking was followed, and the results as they appear in the tabulation appended are estimated for all schools alike. The prizes which had so long been offered for competition by Captain Russell, M.H.R., were withdrawn by him last year, but Mr. Rechab Harding offered similar prizes for competition, and promises to continue the same for the coming year. The report of the examiners will be found among the appendices. In November, when the sewing examination took place, thirty-eight schools were represented, and the number of specimens was 1,441, as compared with 1,370 for 1888, and 1,154 for 1887. According to standards the specimens were classed as follows: Standard I., 419; Standard II., 334; Standard III., 311; Standard IV., 203; Standard V., 113; Standard VI., 61. At the Gisborne District High School the girls in Standards V. and VI. are taught how to cut out their own dresses and to use the sewing machine, the Committee having purchased two machines for the benefit of the school. The innovation is an important one, and a similar plan will no doubt be soon adopted by other schools in the district.

SCIENCE INSTRUCTION.—With a view to improving the schools, the Board last year fostered the establishment of drawing classes for teachers in Napier, and, as pointed out by the Inspector, much good resulted therefrom. During the past year science classes have been conducted by Mr. Fergusson, an Owens College honours man in science, the conditions for attendance being the same; but the attendance has not been sufficient to warrant their continuance for another year. This is to be regretted, as no similar opportunities have been offered in the district for instruction in chemistry and elementary physics. Teachers who have not availed themselves of the opportunities held out by the Board will have no cause to complain should a regulation be passed requiring teachers to hold special certificates in science and art in addition to the ordinary certificates now issued by the Government.

BUILDING FUND.—This fund still continues in the same unsatisfactory position as it has been for the past two years. Consequent on the large increase in the average attendance in 1888 the Board, in anticipation of a larger building grant last year, decided to proceed with a number of additions and new buildings which had become most pressing. The works were completed in the early part of the year, but the smallness of the building grant, amounting to £1,120 16s., was altogether insufficient to provide for additions at Woodville, Danevirke, Makatoku, Napier, Port Ahuriri, and new buildings at Blackburn and Te Aute. The consequence is that the Building Fund Account of the Board is largely overdrawn, and this at a time when rooms are being hired at Napier and Gisborne, new buildings required at Matamau and Makauri, and a new school wanted at Nuhaka and additions at Kumeroa, Ashley-Clinton, and Patutahi.

INCOME AND EXPENDITURE.—The whole income of the Board for the year, including building grant, subsidy, fees, and endowments from Gisborne District High School, was £20,689 12s. 3d. Of this amount, £19,164 5s. 9d. was School Fund, provided for the ordinary work of carrying on the schools and for inspection, and £1,525 6s. 6d. (£1,120 16s. of this amount, although voted by General Government, has not yet been received) was building grant. The School Fund was augmented by a balance in hand from the previous year of £1,029 9s. 11d., and the Building Fund by £334 9s. 7d., making a total of £22,053 11s. 9d. The expenditure shows that the cost of maintenance of the schools, including salaries of officers and teachers, grants to School Committees for cleaning and firing, bonuses to teachers, house allowances, instruction of pupil-teachers, and inspection, amounted to £18,328 2s. 1d., leaving available a balance of £1,865 13s. 7d., out of which the sum of £30 18s. 6d. was paid in aid of the Building Fund, leaving a balance in hand to the credit of the School Fund of £1,834 15s. 1d. The Building Fund was as follows: Income, General Government grant, &c., with balance from last year, £1,859 16s. 1d.; expenditure, on buildings, plans, and appliances, £2,881 4s. 10d.: which leaves a debit balance at the close of the year 1889 of £1,021 8s. 9d.

I have, &c.,

The Hon. the Minister of Education. J. D. ORMOND, Chairman.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1889.

Receipts.	£	s.	d.
To Balance at beginning of year—			
On Building Account	334	9	7
On General Account	1,029	9	11
Government grant for buildings ..	373	12	0
Statutory capitation	15,509	16	3
Scholarship grant	355	0	0
Inspection subsidy	300	0	0
Payments by School Commissioners ..	2,649	13	6
District High School fees and endowments	349	16	0
Balance on 31st December, Building Fund	2,142	4	9
	£23,044	2	0

Expenditure.	£	s.	d.
By Office staff—Salaries	250	0	0
Departmental contingencies ..	205	5	8
Inspector's and Secretary's salaries ..	500	0	0
Inspector's travelling expenses ..	150	0	0
Examination of pupil-teachers ..	49	19	9
Teachers' salaries and allowances (including rent, bonus, &c.) ..	14,752	8	3
Incidental expenses of schools ..	1,703	5	0
Training of teachers, attendance at science classes, &c.	43	0	0
Scholarships—			
Paid to scholars	349	5	0
Examination expenses	27	11	9
School buildings—			
New buildings	1,816	6	4
Improvements of buildings ..	681	1	10
Furniture and appliances.. ..	234	9	10
Sites	25	0	0
Plans, supervision, and fees ..	124	6	10
District High School	297	6	8
Balance on 31st December, 1889, on General Account	1,834	15	1
	£23,044	2	0

J. D. ORMOND, Chairman.
H. HILL, Secretary.

Examined and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.