In making grants for minor repairs to buildings, improvements to school-glebes, and the erection of fencing, sheds, &c., the Board has in general adhered to the equal-subsidy system, the operation of which in the past has proved eminently satisfactory and successful. School Committees have, as a whole, manifested very commendable diligence in raising funds wherewith to assist the Board in placing many conveniences within reach of its teachers and pupils and in maintaining the

property of the Board in an efficient state of repair.

The Board would again direct attention to the lack of teachers' residences in no less than thirty of its school districts; which defect cannot be remedied owing to the insufficiency of the Government grant for buildings. In no instance during recent years has the Board been able to undertake the erection of a school in a newly-constituted district, and at the same time provide a residence for the teacher. For small schools in rural districts where there is a residence the difficulty of securing the services of a fairly competent teacher is not nearly so great as it invariably is when no suitable provision has been made for his or her accommodation; hence the necessity of employing temporarily persons not fully qualified to take charge of schools in outlying districts.

FINANCE—BOARD'S INCOME AND EXPENDITURE.—Departmental Return No. 4 shows in the aggregate the amounts received and expended by the Board during the year. The Board's balance-sheet and accounts have been examined by the Government Audit Inspector, and by him forwarded

to the Auditor-General, Wellington, for his inspection and certificate.

The total income of the Board for the year was made up as follows: Capitation grant, £21,604 7s. 4d.; reserves rents received from School Commissioners of Otago, £3,052 16s. 5d.; parliamentary grant for buildings (including a sum of £385 due and payable for the re-erection of a school destroyed by fire in 1889), £2,353 2s. 6d.; inspection subsidy, £300; other minor receipts, £158 1s. The amounts, together with a credit balance at the close of 1889 of £1,661 10s. 8d., constituted the Board's total income for the year. Against the balance to credit of this year's Maintenance Account, however, has to be placed a sum of £623 5s. 7d. as liabilities due to teachers, Committees, and others on the 31st December; while the balance to credit of Building Fund is more than absorbed by liabilities due or to fall due under existing contracts, a sum of £491 11s. 5d. being required for the last-mentioned purpose.

£491 11s. 5d. being required for the last-mentioned purpose.

The principal items of expenditure were as follows: Teachers' salaries and allowances, £21,155 13s.; incidental expenses of School Committees, £1,469 6s. 9d.; and for building purposes, £1,997 17s. 6d. A perusal of Return No. 7, already forwarded, will afford full information respecting the expenditure of the before-mentioned sums, and show in detail to whom and for what

purpose the various payments were made.

By a prudent and economical administration of the moneys intrusted to it, the Board has hitherto managed to keep its expenditure well within its income. While, however, the basis on which its revenue is calculated remains so liable to variation, and that from circumstances over which it has no control, the same satisfactory condition of its financial affairs as is disclosed in the present year's balance-sheet cannot, of course, be fully depended on.

All returns referred to in this report have already been (or are herewith) forwarded.

By order of the Board.

The Hon, the Minister of Education.

JOHN NEILL, Secretary.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1890.

\*\*Receipts.\*\*

Expenditure.\*\*

By Office staff—Salaries.\*\*

1890.\*\*

By Office staff—Salaries.\*\*

180.\*\*

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Dr. on Building Account £1,272 9 9			Departn
Cr. on General Account 2,934 0 5			Inspecto
	1,661	10 8	Inspecto
Government grant for buildings	2,353	2 6	Examina
Subscriptions and donations for build-		- •	
10.00	12	13 6	Teachers
			clud
Government statutory capitation	21,604		Incident
Scholarship grant	478	11 0	Scholars
Inspection subsidy	300	0 0	Paid t
Payments by School Commissioners	3,052	16 5	Exam
Rents, school reserves		7 6	School b
Interest on Cond Jamesit	120	o o	
interest on fixed deposit	120	0 0	New b
			Impro
			Furnit
			Sites
			Plans,
			Interest
			Balance
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			Fixe
			In b
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	Expenditure.		£	s.	d.	
Ву	Office staff—Salaries		437	10	0	
•	Departmental contingencies		436	7	8	
	T		600	0	0	
	Inspectors' travelling expenses		152	12	7	
	Examination of pupil-teachers	٠.	6	10	0	
	Teachers' salaries and allowances (i	n-				
	cluding rent, bonus, &c.)		21,155	13	0	
			1,469		9	
	Scholarships—					
	Paid to scholars	٠.	462	10	0	
	Examination expenses		16	1	0	
	School buildings—					
	New buildings		1,035	9	10	
	Improvements of buildings		644	10	9	
	Furniture and appliances		102	5	6	
	Sites		64		8	
	Plans, supervision, and fees		151			
	Interest on overdraft		2	2	6	
	Balance (£2,871 17s. 11d., viz., on Buil	d-				
	ing Account £367 18s. 6d., on Gener	al				
	Account £2,503 19s. 5d.)—					
	Fixed deposit		2,000	0	0	
	In bank £949 11	9	•			
	Less outstanding cheques 77 13 :	10				
		_	871	17	11	
		-				

George Lumsden, Chairman. John Neill, Secretary.

£29,608 8 11

Examined and found correct.—James Edward FitzGerald, Controller and Auditor-General.