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has been expended in the erection of new buildings, and extensions to buildings already existing, £761 0s. 2d. on repairs and improvements, £76 13s. 5d. on furniture and appliances, £139 13s. 6d. on purchase, survey, and transfer of school-sites and £165 0s. 11d. for plans, inspection, and advertising for tenders. These figures represent a total of £2,651 0s. 8d. expended on buildings during the year, and indicate that the Board has honestly endeavoured to limit its expenditure to an amount reasonably in excess of its income for this purpose. Nor does the sum of £761, as mentioned above, indicate truly the expenditure on repairs and improvements, as many of the grants for repairs are made contingent on the various districts interested contributing sums by way of supplement. During the year 1890 a sum of £858 13s. 9d. was raised locally by School Committees throughout the district. Of this amount, £533 was expended in the execution of repairs to buildings, fences, &c. and in the purchase of school appliances and apparatus. (The figures for 1891 are not due till after the 31st March, 1892.) Unless the urgent and just claims arising from the extension of settlement in the South, already evident, be ignored, it will simply be impossible to exercise the same judicious control over the expenditure on buildings. Owing to the payment by Government of two building grants during the year—one in January, of £2,400 for expenditure during 1891 the other in November, of £1,920 for 1892—the balance, apparently, to credit of this fund stands at £2,120, against which must be placed a sum of £409 12s. 4d., amount of liabilities due under existing contracts on the 31st December—It will thus be seen that, had the grant for 1892 been paid in the year to which it really belonged, as has hitherto been the practice, a debit of £209 12s. 4d. would have been the resultant balance. Numerous applications for the creation of new school districts and the erection of school-buildings have been received within the past six months, and the ope

FINANCE AND ACCOUNTS.—The total income of the Board from all sources, including credit balance of £2,871 17s. 11d. carried forward from last year was £33,477 10s. 4d., as shown in the Board's annual balance-sheet. This sum was made up as follows Statutory capitation grants, £22,247 10s. 9d. grants and donations for buildings, £4,404 18s. 8d. quarterly payments by School Commissioners of Otago of rents accruing from the lease of primary reserves, £3,017 3s., scholarship grant, £478 7s. 6d., inspection subsidy, £300. These, together with several smaller receipts, constituted the Board's revenue for the year, as above stated. The Board's balance-sheet, duly certified to by the Auditor-General, shows in the aggregate how this sum has been applied. An amount of £22,010 9s. 11d. has been absorbed in payment of teachers' salaries and allowances, £1,540 3s. 6d. as allowances to School Committees for incidental expenses, £2,651 0s. 8d. for building purposes, £478 7s. 6d. for scholarships £809 6s. 11d. as cost of inspection, and £366 0s. 8d. for office staff salaries. These form the principal items in the Board's expenditure for the year, and leave an aggregate balance to credit of £5,210 18s. As already mentioned in this report, under the heading of "Buildings," this balance is more apparent than real. A sum of £1,920, building grant for year 1892, paid in advance, should be deducted. When this is done the amount to credit of the General Account will be only £419 in excess of that of the preceding year. It has also to be noted that liabilities against the Board's Maintenance and Building Accounts of £624 and £409 respectively have to be provided for Making due allowance for all possible emergencies, it will be seen that the Board's financial position is thoroughly sound. This satisfactory result is due solely to a careful administration of the funds placed at its disposal from year to year, and indicates that the regulations controlling its finance have been very nicely adjusted indeed. While, however, the Board's income is calculated on the strict average attendance, a similar satisfactory relation of income to expenditure cannot absolutely be relied on, and, to provide for possible contingencies which may arise to disturb the basis on which capitation grants are payable, the Board deems it but prudent that a balance to credit should, if possible, be maintained.

The Hon. the Minister of Education, Wellington.

John Neill, Secretary

GENERAL STATEMENT OF RECEIPTS a	nd Ex	PEI	1D1	TURE for the Year ending 31st December, 1891
Receipts.	£	s.	d.	Expenditure. £ s. d
To Balance at beginning of year—				By Office staff—Salaries 366 0 8
On Building Account	367	18	6	Drill instructor (salary and expenses) 40 13 7
On General Account	2,503			Departmental contingencies 314 5 10
Government grants for buildings	4,320	0	0	Inspectors' salaries 618 15 (
For reinstatement of building partially		_	_	Inspectors' travelling expenses 190 11 11
destroyed by fire		8	2	Examination of pupil-teachers 17 12 9
Subscriptions and donations for build-	0.0	10	_	Teachers' salaries and allowances (in-
ings		10	6	cluding rent, bonus, &c.) 22,010 9 11
Government statutory capitation	22,247			
Scholarship grant Inspection subsidy	478 300			Scholarships—
Payments by School Commissioners	3,017		ő	Paid to scholars 465 0 0 Examination expenses 13 7 6
Rents, school-sites		17		Examination expenses 13 7 6 School-buildings—
Interest on fixed deposits	123			New buildings 1,508 12 8
Autorope ou unca achomies			Ŭ	Improvements of buildings 761 0 2
				Furniture and appliances 76 13 5
				Sites 139 13 6
				Plans, supervision, and fees 165 0 11
				Interest on overdraft 1 12 0
				Insurance overpaid 0 0 1
				Members' travelling expenses 36 18 11
				Balance at end of year—
				On Building Account 2,120 0 0
				On General Account. 3,090 18 0
;	.09 477			£33 477 10 4

G McLeod, Chairman. John Neill, Secretary and Treasurer

£33,477 10