Auckland shows the largest credit balance—£11,076. The next in order are—Wanganui, £7,472; Southland, £6,065; Wellington, £5,889; Otago, £5,532; and North Canterbury, £4,234.

3. *Buildings Account.*

The Buildings Account refers to moneys granted for two purposes, which by parliamentary appropriation and by the terms of the grants made by the Department are quite distinct, namely,—

(*a*.) Moneys granted from the Consolidated Fund for the general maintenance and replacement of school buildings, and additional sums paid for the rebuilding of schools destroyed by fire, and for the rent of temporary premises during such rebuilding;

(*b*.) Moneys granted from the Public Works Fund specially for the erection of new schools and the extension of existing schools rendered necessary by increased attendance, for the purchase of school-sites, and for building teachers' residences in certain cases where suitable houses cannot be rented.

The moneys so granted in the year 1912 for the respective purposes named are shown in Tables F7, F8, and F9.

The grants under heading (*a*) are primarily for the following purposes:—

(1.) To provide for maintenance and repair of school buildings, furniture, fittings, &c.

(2.) To meet the cost of rebuilding worn-out schools, of replacing furniture, fittings, fencing, &c., and the Board's share of the cost of replacing schools destroyed by fire.*

(3.) To provide for all new furniture and fittings required by increase of attendance at existing schools, or by the establishment of small or temporary schools not provided for by special grant.

After due provision has been made for these requirements a Board may, if it so desires, transfer not more than 7 per cent. from this, its "Maintenance Account," to its "Buildings Account" to cover the cost of small additions and alterations coming within the meaning of the appropriation, which defines the maintenance grant as a grant "for general maintenance of school buildings and for additions to buildings, alterations, rebuilding, furniture, fittings, fencing, rents, additions and improvements of sites, &c."

Table F10 shows the assets and liabilities of the Boards on the combined Buildings Accounts. The following is a summary:—

COMBINED BUILDINGS ACCOUNT (*a*) AND (*b*), ALL BOARDS, 31ST DECEMBER, 1912.

Liabilities.	£	*Assets.*	£
Overdrafts	10,162	Cash	36,156
Other liabilities	50,226	Due from all sources	61,526
Balances	46,520	Deficits	9,226
	£106,908		£106,908
		Net balances 1st January, 1912	£37,294

The net balance in the Buildings Account at the close of the year 1911 was £30,221. The above summary indicates that at the end of 1912 it had increased to £37,294.

An examination of the grants made to Boards under heading (*a*), referred to above, together with their returns of expenditure, discloses the fact that the School Buildings Maintenance Account should stand as shown in Table F11, of which the following is a summary:—

SCHOOL BUILDINGS MAINTENANCE ACCOUNT, ALL BOARDS, 31ST DECEMBER, 1912.

	£
Cash balances	89,930
Net excess of amounts due to Boards over amounts due by Boards	859
Net balance, 31st December, 1912	£90,789

* Special provision is made for payment of the Department's share of the cost of replacement of schools destroyed by fire.