

more plentiful. It is interesting to note here that the sum of £84,914 was subscribed by the public, which sum earned interest of £15,218. There is only £1,100 outstanding in subscriptions now. The Government has made the greater contribution to the building, its share being—

	£
Cash subsidy	100,000
Cash grant : Carillon tower..	15,000
Grant : Employment Fund..	7,650
Land at valuation..	30,000
	£152,650

A further £5,000 from Employment Funds has been promised.

I beg to submit the following financial statements for the financial year 1st April, 1936, to the 31st March, 1937, which have been certified correct by the Controller and Auditor-General :—

- (1) Balance-sheet.
- (2) Statement of Income and Expenditure balances at 31st March, 1937.
- (3) Main Income and Expenditure Account.
- (4) Tea-rooms Account.
- (5) Catalogues Account.

Balance-sheet.

The assets aggregate £332,675 and this with rather low valuations of the Art Gallery Collection and the Museum exhibits. The carillon bells have not yet been included in the assets. The liquid assets are only £1,884, of which £1,245 is earmarked for special purposes detailed under liabilities in the balance-sheet.

Main Income and Expenditure Account.

This account discloses a most disappointing position. Even with the exercise of stringent economy in administration, the Board's revenue exceeded its actual expenditure by only £143. No provision whatever has been made for depreciation, a policy which, if allowed to continue, will, I feel sure, have serious consequences. For instance, the steel window-frames should be painted at least every two years to preserve them from rust; the stone will probably require treatment; and there is always the possibility of damage through roof-leakage consequent on heavy rains, earthquakes, &c. As mentioned in my report of 4th January last, the depreciation set aside and funded each year should be not less than £2,000, and this reserved from revenue.

I think I am right in saying that the efforts of the Director of the Museum have been hampered through lack of finance, the staff is not up to requirements numerically, and there is no margin for exhibit improvement. To remedy these and other necessities, the Board requires at least £12,200 to function efficiently, the principal headings of expenditure being—

	£
Salaries	6,300
Other items	2,700
Depreciation	3,000
Capital expenditure : Exhibits of pictures	200
	£12,200

As against this probable expenditure the revenue in sight at present is—

	£
Government grant	7,000
Wellington City Council	1,000
New Zealand Academy and Carillon	150
Sundry receipts	250
Rental	100
	£8,500

On these figures the deficiency is £3,700.

Tea-rooms.

The tea-rooms showed an excess over actual expenditure of £223, which is sufficient justification for the continued opening of the rooms.

F. B. DWYER, Treasurer.