

follows: 1st. The Board's estimate of receipts and expenditure prepared at the commencement of the past year, allowed for an increase of attendance for the last two quarters of the year. Instead of this, the quarters ended 30th June, 1879, and 30th September, 1879, showed a decrease, owing to various causes, and, consequently, the Board's revenue suffered a reduction. 2nd. The Board had to continue all payments at the old rates until 1st February, 1879, the reductions made not taking effect until that date. 3rd. The Board found it necessary to make special grants to several school committees, to meet liabilities incurred by those committees previous to the introduction of the capitation allowance of 10s. It is quite evident that, after such a thorough reduction in expenditure as that made by the Board, it is as much as they can be expected to effect if they keep their annual expenditure within the limits of their income; and that the probability of their being able to liquidate an old debt of about £1,000 is very remote. The Board, having given such practical evidence of their desire to retrench, have every confidence that they will not be continually saddled with a debt which it is beyond their power to pay off; but that, in addition to the extra grant for current expenditure which the Government propose to make, they will also make the Board a special grant of £1,000, thereby enabling them to start fairly.

SCHOOL COMMITTEES.—The Board are glad to be able to bear testimony to the great interest taken by the school committees in education matters, and to the valuable assistance received from them. No difficulty of consequence has occurred with any of the committees, though the absence in the Act of a strict definition of the relative powers and duties of Boards and Committees might easily lead to such a result. Some trouble has been experienced during the year in getting returns which pass through the hands of committees sent in punctually and in a state of correctness. Strict attention to this matter would prevent much inconvenience, and also delay in forwarding returns to the Central Department. One of the duties appertaining to the committees, and one which, if properly carried out, would be of very great service to the Board, viz., the putting in operation of the compulsory clauses of the Act, there is reason to fear is somewhat neglected. The majority of committees have brought these clauses into operation as required by clause 95 of the Act, but, beyond issuing a few notices under clause 91, nothing appears to have been done to give effect to their provisions. There is no doubt that this arises not so much from the indifference of the committees on the subject, as from a feeling on their part that the clauses of the Act relating to compulsory attendance are practically inoperative. Other reasons also exist; one being that the funds placed at the disposal of the committees are not sufficient to allow of extra expenditure in connection with the taking of proceedings against parents or guardians who neglect to send their children to school. The other reason is to be found in the very natural disinclination to become obnoxious to one's neighbours. Suggestions for amendments in the clauses relating to compulsory attendance are appended hereto. Difficulty has been experienced, in most cases, in getting from committees correct statements of school fund accounts for the past year, consequently the preparation of this report has been considerably delayed. The Board would suggest that a form should be issued by the Department for the yearly reports of school committees, embodying the information likely to be of most practical use, as at present the committees seem to feel the want of some such guide in making their reports. The reports of committees should supply much useful information, which could with advantage be embodied in the Board's yearly report. As with all other grants under the Act, the amount allowed for school committees in this district is insufficient to enable them to perform efficiently the duties imposed upon them. In consequence of this the Board are constantly receiving requests from school committees for special grants, which requests they are quite unable to comply with, owing to the limited funds also at their disposal. The Board would suggest that committees be requested to furnish annually statements of assets and liabilities, with their statement of school fund account. The sums contributed to the "school fund" under the Board's scale, are intended to meet the cost of cleaning school buildings and premises; providing fuel for school rooms and school requisites; making all necessary repairs on school buildings, premises, furniture, and fences; improving the furniture, appliances, and grounds of the schools; and for defraying the expenses incurred in connection with the committees' meetings and correspondence. The Board do not undertake to make any further allowances for the above purposes. No portion of the Board's contribution to the "school fund" is to be spent on prizes, or school fêtes and entertainments.

SCHOOL PENNY BANKS.—Only one bank is in operation in the district—namely, at No Town. Below is a copy of the audited accounts. The general feeling with committees seems to be that, if teachers do thoroughly what is required of them at present under the Act, very little time will be at their disposal for the extra work required in connection with Penny Banks. The Board are inclined to agree with the committees, feeling that it would be unwise to impose duties upon teachers which could in the slightest degree interfere with the proper discharge of their ordinary work.

NO TOWN STATE SCHOOL PENNY BANK.

Opened 2nd August, 1879.

Number of depositors to 31st December, 1879, 25

Amount deposited	£20	1	1
Average per depositor	0	16	0½
Average weekly receipts	1	0	0½

PENNY BANK GENERAL ACCOUNT.

Deposits received from 2nd August to 31st December, 1879	£	s.	d.	Balance due to depositors on 31st December, 1879	£	s.	d.
.. .. .	20	1	1	20	1	1
	<u>20</u>	<u>1</u>	<u>1</u>		<u>20</u>	<u>1</u>	<u>1</u>

BALANCE-SHEET.

Liabilities.	£	s.	d.	Assets.	£	s.	d.
Deposits due to depositors on 31st December, 1879	20	1	1	Cash in Post Office Savings Bank, including interest, to 31st December, 1879	19	2	7
	<u>20</u>	<u>1</u>	<u>1</u>	Cash in hand	0	18	6
					<u>20</u>	<u>1</u>	<u>1</u>