Pupil-Teachers' Examination.—The usual pupil-teachers' examination took place in July, and an exhaustive report by the Inspector gives full particulars thereof. The result was very disappointing; but the Board hopes that the next examination will be more encouraging.

AUDIT OF SCHOOL COMMITTEES' ACCOUNTS.—In compliance with the Order in Council, the Board appointed gentlemen nominated by the Committees to audit their accounts where they would be done free of charge; and in cases where this could not be done the Secretary of the Board was appointed auditor. Great difficulty was experienced in getting in some of the summaries of the School Fund Account, and in some cases the returns were not forthcoming. Some of the Committee have collected sums of money, and judiciously expended it in improving grounds, erecting swings, and in school treats and prizes, a proceeding which is worthy of all praise.

Inspector.—Mr. W. H. Vereker-Bindon, M.A., who was appointed Inspector of Schools in December last, was unable to commence duty until March, owing to severe illness. He has since made a full inspection of the district schools, and has reported thereon.

Scale of Salaries.—The Board's scale of salaries remains as heretofore, except that an allowance of £20 per annum is now made to all country school teachers who are not provided with a residence.

BEQUEST OF THE LATE DR. REES.—The £800 which was shown in last year's balance-sheet as awaiting investment has been lent for five years at $7\frac{1}{2}$ per cent. on the mortgage of freehold lands. The interest of this bequest was formerly devoted towards paying the salary of the head master of the Wanganui Boys' District High School, but upon the latter being disrated the Board resolved to allow the fund to accumulate for the present.

Classes for Teachers.—Up to December last the Board made an allowance of £50 per annum towards the maintenance of a class in Wanganui for the instruction of teachers. The class was conducted by the second master of the Wanganui Boys' School, but has been discontinued in consequence of that gentleman having been transferred to Marton School.

Finance.—The returns give a full statement of the Board's receipts and expenditure during the year, the totals amounting to £24,537 18s. 9d. In the General Account a credit balance of £1,939 16s. is shown, with liabilities amounting to £547 4s., leaving a net credit balance of £1,392 12s. The liabilities are principally for school fund and bonus due to teachers, since paid, and accumulated interest on the Rees bequest, above referred to. The Building Account shows an overdraft of £1,617 7s. 7d., with liabilities of £12 2s. 6d., being a total of £1,629 10s. 1d. This, however, has been wiped out by the Government grant of £2,736 since allocated, leaving the Board a credit balance of £1,106 10s. for the wants of the whole district. It is hardly necessary to state that this sum is totally inadequate for the growing requirements of the district, and that the Board has already anticipated it twice over without meeting the demands made upon it.

I have not thought it necessary here to enter into minute details, as the Inspector's report, to which I have the honour to refer you, contains a comprehensive account of the state of education in this district, and the several returns required by the department are attached hereto.

The Hon. the Minister of Education.

I have, &c., W. H. Watt, Chairman.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1884.

Receipts.	£	s.	d.	Expenditure.	s.	đ.
To Balance on 31st December, 1883—General	l			By Balance of account on 31st December,		
	2,332		4	1883—Building Account* 2,790	13	6
	2,736	0	0		16	8
Price of old buildings at Parewanui	20		0		6	
Government statutory capitation (£3 15s.)	15,528	12	7		0	
	1,057	16	3	Inspector's travelling expenses 100		
Scholarship grant (1s. 6d.)			9		16	10
Inspection subsidy			0	Teachers' salaries and allowances (in-		
Grant for training of teachers	41	13	4	cluding rent, bonus, &c.) 14,344		
Payments by School Commissioners—		_		Incidental expenses of schools 1,338		
For primary education	354		4		13	4
For secondary education			7	Scholarships—		
Fees for district high schools		15	0		16	
School site			0		16	1
Rees bequest, Interest Account		8	0	School-buildings-		
Balance of account on 31st December,					16	
1884—Building Account*	1,617	7	7	Improvements of buildings 1,019		
					10	
					12	
					0	
					12	6
				Balance of account on 31st December,		
				1884—General Account* 1,939	16	0
វ	224,537	18	9	£24,537	18	9

W. H. WATT, Chairman. A. A. Browne, Secretary.

Examined and passed.—R. Macalister, Provincial District Auditor.

^{*} On all its accounts the Board began the year 1884 with a debit balance of £457 16s. 2d., and closed the year with a credit balance of £322 8s. 5d. (See Appendix, Table 2.)

^{11—}E. 1.