one exception the scholarships are tenable for two years. Of the twelve who competed for the senior scholarships, seven were girls; and of the ten for the junior, one was a girl.

REDUCTION IN THE GOVENMENT GRANT.—Upon receipt of intelligence that the Government grant would be reduced to the statutory capitation of £3 15s., and that the amount would be paid upon the strict average attendance only, the Board gave immediate notice to all School Committees and teachers that there would be a revision of the school fund allowance and of the scale of teachers' salaries. Subsequently a committee of the Board was appointed to deal with the matter, and it is still under consideration.

Parliamentary Committee on Education.—In reply to certain questions contained in a circular from the Parliamentary Committee on Education, the Board pointed out the necessity for a differential capitation payment for town and country schools, upon the ground that a Board with a large number of schools scattered over a sparsely settled district is at a great disadvantage as com-

pared with Boards having several large schools in densely populated cities.

Finance.—The several returns required by the department were forwarded in due course. general statement of receipts and expenditure shows a credit balance of £2,585 11s. in the General Account; and the statement of assets and liabilities shows assets amounting to £504 3s. 4d., and liabilities £1,086 15s., leaving a net credit balance of £2,002 19s. 4d. The £500 in the assets is due from the Building Account, being a loan from the Rees bequest for the purpose of erecting St. John's Infant School, Wanganui. This amount is again included in the sum of £588 1s., shown as a liability, that sum being due to the Rees Bequest Suspense Account. The other liabilities were for amounts due to teachers for instruction of pupil-teachers, and to Committees for school fund. The Building Account is overdrawn to the extent of £1,691 14s. 8d., with liabilities amounting to £687 2s. 1d. The £350 shown in the abstract of accounts as paid from the General Account on the one side, and received by the Building Account on the other, is a portion of the loan of £500 above referred to, the balance of £150 having been accounted for in last year's statement. It is necessary to explain that this money is borrowed from the accumulated interest only of the Rees bequest, and not from the capital account.

For information respecting the state and progress of education in this district, I have the

honour to refer you to the Inspector's report. I have, &c.,

The Hon. the Minister of Education, Wellington.

GILBERT CARSON, Chairman.

General Statement of Receipts and Expenditure for the Year ending 31st December 1887

GENERAL STATEMENT OF MECEIPTS a	ma Exi	PEN	(DI)	TURE for the Tear ending 51st December, 1667.
Receipts.	£	s.	d. 1	Expenditure. £ s. d.
To Balance at beginning of year—General				By Balance at beginning of year—Building
Account	2,661	18	10	Account 991 12 10
Government grant for buildings	2,979	11	0	Office staff—Salaries 425 0 0
Other receipts for buildings—	,			Building Account, loan from Rees be-
School sites, leases	5	11	5	quest 350 0 0
Old buildings	17	10	0	Departmental contingencies 98 0 2
Rees bequest loan	350	0	0	Members' expenses
Government capitation	18,899	15	2	Inspector's salary 400 0 0
Scholarship grant	314	5	0	Inspector's travelling expenses 150 0 0
Inspection subsidy	300	0	0	Inspector's examination expenses 34 7 11
Grant for training of teachers	62	10	0	Examination of pupil-teachers 43 17 3
Payments by School Commissioners	412	3	4	Teachers' salaries and allowances (in-
Rees bequest, Interest Account	175	15	0	cluding rent, bonus, &c.) 16,754 8 5
Departmental refund	3	13	6	Incidental expenses of schools 1,464 15 4
Refund school fund, Kaitoki (closed)	5	12	5	Training of teachers 66 13 4
Balance at end of year—Building Ac-				Scholarships—
count	1,691	14	8	Paid to scholars 305 0 0
				Examination expenses 9 5 0
				School-buildings—
				New buildings 1,769 16 7
				Improvements of buildings 1,931 15 10
				Furniture and appliances 64 15 2
				Plans, supervision, and fees 199 11 0
				Balance of contractors' deposits 86 15 8
				Balance at end of year—On General
				Account 2,585 11 0
	£27,880	0.	4	£27,880 0 4

GILBERT CARSON, Chairman. A. A. Browne, Secretary.

WELLINGTON.

Education Office, 31st March, 1888. In accordance with section 102 of "The Education Act, 1877," I have the honour to

furnish you with the annual report of this Board on educational matters of the district for the year

ending the 31st December, 1887.

Board.—The constitution of the Board at the commencement of the year was as follows: Mr. J. R. Blair (Chairman), Mr. Henry Bunny, Mr. George Beetham, M.H.R., Mr. Walter Clarke Buchanan, M.H.R., Mr. Arthur Winton Brown, Dr. Newman, M.H.R., Mr. John Young, Mr. George Vance Shannon, and the Rev. James Paterson. In March Messrs. Buchanan, Bunny, and Shannon retired. Mr. Shannon decided not to stand for re-election. Ten candidates were nominated, and Mr. W. C. Buchanan, Mr. H. Bunny, and Mr. F. H. Fraser were elected. MEETINGS.—During the year the Board has held fifteen meetings, made up as follows: Twelve