

subscriptions, &c. It should be noted, however, that a portion of this amount—probably one-half or more—is the result of a mild form of compulsion exercised by the Board; as, in many instances, grants towards the cost of repairs, erection of sheds, fencing, &c., are made specially on condition that of the amount actually expended one-half shall be raised by the Committee interested. Without the adoption of some such basis of distribution of the funds intrusted to the Board for such purposes it would be quite impossible to satisfy the demands of applicants in this particular.

The Board directs attention to the fact that in six school districts the buildings utilised by the Board for school purposes are not its property, but have been provided by the residents as temporary expedients till the Board is in a position to erect suitable school-buildings. The Board again reports that there are still twenty-seven school districts in which no residences for the use of the teachers have been provided. Rent allowances, aggregating £347 15s. 5d., were paid to the teachers of these schools during the year; and, in view of the proposed reduction in the maintenance grant, it will be next to impossible to provide for a similar outlay in future. The Board's maintenance grant, even under the most economical administration, is scarcely able to bear the legitimate strain imposed upon it, without meeting the cost of rent allowances, the payment of which is rendered necessary on account of the insufficiency of the grant for buildings.

SCHOOL COMMITTEES.—Return No. 10 gives a summarised statement of the income and expenditure of School Committees in this district, and generally the purposes to which such moneys have been appropriated. The Board acknowledges the hearty co-operation of School Committees generally in the efficient administration of the provisions of the Act. Cases in which friction has occurred have been very rare indeed, and even then the matter in dispute has ever been satisfactorily settled, to the mutual benefit of all concerned.

The Committees' abstracts of accounts have this year, with very few exceptions, been carefully and correctly made up, audited, and forwarded to the Board's office with commendable promptitude.

INSPECTION OF SCHOOLS.—In December, 1886, Mr. John Gammell, the Board's Inspector, tendered his resignation of the office held by him since June, 1882. After further consideration, however, and at the request of the Board, Mr. Gammell withdrew his resignation, and accepted twelve months' leave of absence on half-pay, on condition that at the expiration of nine months or earlier he would intimate definitely whether or not he could continue in the service of the Board as its Inspector. In consequence of the foregoing arrangement, the Board resolved to invite applications for the position of Assistant Inspector, it being felt that the work of examination and inspection of so many schools, and in such an extended district, could not well be efficiently conducted by one Inspector. From a large number of applicants the Board unanimously selected Mr. James Hendry, B.A., to fill the vacancy. Mr. Hendry has, since his appointment in March last, prosecuted the work of examining schools throughout the district, with the result indicated in his tabulated returns forwarded to the department, and more specially dealt with in his annual report presented to the Board, of which a copy is herewith enclosed.

In August last Mr. Gammell intimated finally that he could not see his way to return to his duties as the Board's Chief Inspector. The Board thereupon accepted his resignation of the office held by him for so many years, and now desires to place on record its high sense of the invariable faithfulness, ability, and zeal with which he discharged his onerous duties, and its regret that circumstances should have necessitated his retirement from his position as its Inspector.

FINANCE AND ACCOUNTS.—The Maintenance Fund of the Board for the year consisted of a sum of £20,363 13s. 9d. paid as capitation grant, together with an additional sum of £2,699 5s. received, as this district's share of primary-reserves rents, from the School Commissioners of Otago, forming a total of £23,062 18s. 9d. Out of this sum, £20,029 11s. 3d. was paid to teachers employed by the Board, as salaries, bonuses, rent allowances, &c. The annual vote received for building purposes was £3,448 10s. 5d.

A certified statement of the Board's income and expenditure, as contained in Departmental Returns Nos. 4, 5, and 6, and which furnishes a full and detailed account of the Board's present financial condition, will be forwarded as soon as the Auditor has completed his labours.

The figures contained in the returns referred to show that the Board has a credit balance in favour of both its Maintenance and Building Accounts—to the former of £445 13s. 9d., and to the latter of £1,031 19s. 7d. From the former of these balances must, however, be deducted a sum of £416 8s. 8d. as due to teachers and School Committees on the 31st December, 1887, leaving only an actual balance of £29 5s. 1d. In like manner the credit balance to Building Fund must be reduced by the deduction of a sum of £155 due under contracts, leaving the actual amount to its credit £876 19s. 7d.

If all the urgent works sanctioned by direct or implied promises had been executed by the Board, the foregoing balance to credit of Building Fund could easily have been absorbed, and the vote for the current year considerably anticipated as well.

RETRENCHMENT.—In consequence of the receipt of circulars from the Education Department at the close of the year, announcing the Government's intention of (1) calculating future payments to Boards on the "strict" instead of the "working" average, and (2) of discontinuing payment of the extra capitation grant of 4s. per pupil, it will be the duty of the Board, early in the coming year, to revise its scale of expenditure, with the view of effecting reductions necessary to meet the decreased revenue arising from the proposed changes.

The present rules of the Board which regulate the cost of administering the Education Act throughout the district have been so nicely adjusted as to leave at the end of each recurring year but an insignificant balance to either debit or credit: hence the imperative necessity for an immediate revision of its scale of payments. The action of the Board in this connection will form an important feature in its next annual report.

By order of the Board.

JOHN NEILL, Secretary.

The Hon. the Minister of Education, Wellington.