

As in previous years, a portion of the votes for scholarships, for district high schools, and for manual and technical instruction, as well as most of the building vote for the year, was not received by the Boards until after the 31st December, 1903. The amounts payable thereunder to the several Boards are, however, included in the assets of the Boards shown in Table H1.

Tables H1 and H2 show the financial position as regards the General and Building Accounts respectively on the 31st December, 1903; for the purpose of comparison the deficits and balances on 31st December, 1902, are also given.

At the close of the year 1903 five out of the thirteen Boards had deficits on their General Account, amounting altogether to £4,696; at the end of 1902 seven Boards had deficits, amounting in all to £6,211; the total deficits have therefore been decreased by £1,515. Eight Boards had balances on 31st December, 1903, amounting in the aggregate to £6,775, as against six Boards whose accounts were in credit in December, 1902, with a total balance of £6,840, the decrease in the credit balances being thus £65. The total amount of improvement during the year was therefore £1,450. The Boards that improved their position on the General Account during the year were nine in number: Wellington, which reduced its deficit from £2,762 to £1,518, shows the greatest improvement, while Wanganui, which increased its balance from £198 to £1,285, comes next. Hawke's Bay increased its balance from £1,678 to £1,939, but in addition £1,000 was transferred to the Building Fund.

In the case of Auckland, a balance of £3,090 has been reduced to £772 owing to the excess of the expenditure over the receipts on account of manual and technical instruction. The other Boards showing a loss on their working during the year were Taranaki, Marlborough, and Grey. On the Building Account all the Boards but two show an excess of assets over their liabilities. Of these two, Wellington, though still having a deficit of £2,162, has improved its position during the year by £5,489; Otago, on the other hand, is in a worse position by £1,282. Next to Wellington the greatest improvement is shown by Auckland, which converted a deficit of £1,012 into a credit balance of £3,573. The other Boards which show an improvement are Taranaki, Nelson, Grey, Westland, South Canterbury, and Southland. The total balances of the Boards in credit on Building Account amount to £23,239, as against £18,671 at the end of 1902, and the total deficits of the Wellington and Otago Boards to £3,900, as against £9,119 of these and the Auckland Board, so that the net improvement of all Boards on this account was £9,787.

Taking together the two years, 1902 and 1903, since the coming into operation of the Public-School Teachers' Salaries Act, it will be found that all the Boards except three improved their position with regard to their General Fund, the respective amounts being—Taranaki, £159; Wanganui, £1,336; Wellington, £3,031; Marlborough, £70; Nelson, £672; Westland, £119; North Canterbury, £312; South Canterbury, £30; Otago, £1,568; and Southland, £1,145: total, £8,442. The Boards that do not show an improvement are Auckland, Hawke's Bay, and Grey. Auckland's balance is less by £1,431 than it was at the end of 1901. This is more than accounted for by the expenditure in connection with manual and technical instruction, already mentioned, which exceeded the receipts on that account by £2,394. Hawke's Bay shows a balance less by £916 than in 1901, but, as £2,000 was transferred from this account to the Building Account, the Board's working during 1902 and 1903 really yielded a profit of £1,084. Grey shows a loss each year of £184, there being no special circumstances to explain it. The total falling-off shown by these three Boards is therefore £2,715, so that the net improvement for all Boards on their General Account during the two years was £5,727, or, if the £2,000 transferred by Hawke's Bay be added, £7,727. The building funds are of course not affected by the Act. In this connection it is of interest to note what percentage of the several Boards' income is expended on administration, including in this term all the items which are included in that heading in Table G., viz.—salaries of the office staff, the Inspectors, Truant Officers, &c., and the ordinary office contingencies, but excluding the incidental expenses of schools. The percentage borne by these administrative expenses to the Boards' income from all sources (omitting balances) was 5·2; for the several