

The net balance in the Buildings Account at the close of the year 1913 was £30,198. The above summary indicates that at the end of 1914 it had increased to £44,518. As remarked above, the account for maintenance of school buildings is largely responsible for this increase.

An examination of the grants made to Boards under heading (a), referred to above, together with their returns of expenditure, discloses the fact that the School Buildings Maintenance Account should stand as shown in Table F 11 of E-2, of which the following is a summary :—

SCHOOL BUILDINGS MAINTENANCE ACCOUNT, ALL BOARDS, 31ST DECEMBER, 1914.

	£
Cash balances .. .. .	98,050
Net excess of amounts due to Boards over amounts due by Boards ..	4,132
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Net balance, 31st December, 1914 .. .. .	£102,182
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It would appear, then, that at the 1st January, 1915, this net balance of £102,182 was available for the purposes indicated. However, the combined Buildings Account shows the actual balance to be £44,518, and obviously, therefore, a sum of £57,664 has been diverted from the Maintenance Fund to other purposes. This is far more than would be warranted by the provision allowing the Boards to transfer 7 per cent. from this account to its Buildings Account.

#### EDUCATION RESERVES.

By the provisions of the Education Reserves Amendment Act, 1910, these reserves are vested in the Crown, and are placed under the administration of the several Land Boards. The revenues derived from these reserves, subject to a charge for expenses of administration, are paid by the Receivers of Land Revenue into the Public Account to the credit of a separate account for each provincial district.

The above provisions of the Act apply only to revenue derived from reserves since the date of the Act coming into force.

All funds, mortgages, and investments which were at that date vested in the School Commissioners the Act provided should be taken over by the Public Trustee, the revenue to be dealt with similarly to that received by Land Boards.

The revenue is distributed quarterly by the Minister of Finance on a basis provided by statute. Sums equal to the amounts paid to Education Boards are deducted from sums due by this Department to the Boards.

In this report the transactions of the Education Department only are given.

#### (a.) *Primary.*

The revenue from all sources received during the year 1914 was £63,083 7s. 6d., including a sum of £1,478 15s. 1d., which represents interest on mortgages and investments received from the Public Trustee for the financial year 1914-15. This was the total amount received by Education Boards for the year ended the 31st December, 1914.

Table G in Appendix B of E.-2 shows the reserves revenue and interest on mortgages and investments received on account of primary education, together with the distribution to Education Boards.

#### (b.) *Secondary.*

The total amount received by High School Boards during the year 1914 was £7,718 7s. 1d., including a sum of £44 11s., which represents interest on mortgages and investments received from the Public Trustee for the financial year 1914-15. Details of the distribution are shown in Table K 9 of E.-6.