

but, as has been pointed out frequently before, the whole of this balance does not exist in actual cash, the money having been used to pay the Boards' deficits on other accounts, especially those on the New Buildings and Sites Sales Accounts. The actual total bank balance of all Boards to the credit of the combined Building Accounts was £77,890, which, although it was nearly £18,000 greater than in the previous year, represents little more than half the sum that should have been held in trust for the purpose for which it was granted. The Wanganui Board is in much the worst position in this respect, having a ledger credit balance on the Rebuilding Account of £19,862, while its total bank balance at the end of the year was only £1,898. It will be possible under the new arrangement to keep a better check over the expenditure out of the grants for rebuilding, but the system of paying to the Boards large advance grants for this purpose is now felt to be unsatisfactory, and the position points to the need of taking steps in the near future to alter the method of making provision for the rebuilding of worn-out schools.

Table F6B in E.-2 shows the financial position of the individual Boards in the combined Buildings Account as at the 31st December, 1917. The following is a summary of the Table:—

COMBINED BUILDINGS ACCOUNT.							
<i>Monetary Assets.</i>				<i>Liabilities.</i>			
			£				£
Bank balance	..	..	.. 82,044	Overdrafts ..	..	..	.. 4,154
Other assets	..	..	.. 59,178	Other liabilities	..	..	.. 46,552
Total	..	..	.. £141,222	Total	..	..	.. £50,706
Credit balance	..	..	.. £90,515				

3. All Accounts.

The total bank balance of all Boards increased from £103,765 in 1916, to £151,185 at the end of 1917, an increase of £47,420 on the year's working. The excess of other monetary assets over liabilities amounted to £25,006, so that the total credit balance at the end of 1917 was £176,191, as compared with £161,619 in the previous year. Six of the Boards contributed towards the increased credit, the Canterbury Board showing much the greatest increase, while the three remaining Boards were in a slightly worse financial position than at the end of the previous year. The total credit balances of the various Boards range from £2,194 to £83,994. It must be pointed out, however, that if the Rebuilding Fund were excluded only five Boards would have a credit balance, and that two of the other Boards would be almost hopelessly insolvent. Several Boards are in a position to extinguish deficits on smaller accounts by transfers from the General Fund, and in cases where income will not be derivable from any other source this course should be adopted.

The position of the individual Boards with respect to all accounts is shown in Table F6 of E.-2.

EDUCATION RESERVES.

The Education Reserves Amendment Act of 1914 provides for the revenue received from primary-education reserves to be paid by the Receiver of Land Revenue into the Public Account to the credit of a special deposit account called "The Primary Education Endowments Deposit Account." The moneys so received are applied without further appropriation than the Act mentioned towards the payment of amounts charged on the Consolidated Fund for the purposes of primary education. The revenue from this source during the year 1917-18 was £76,934.

EDUCATION OF NATIVE CHILDREN.

(See also E.-3, Report on Education of Maori Children.)

Number of Schools.

There were 118 Native village schools, including two side schools, in operation at the end of the year 1917, the number being the same as for the previous year. During the year one new school was established, and two schools were re-opened, while one school was transferred to the Auckland Education Board, one school was permanently closed, and a third was closed temporarily towards the end of the year. With the exception of two, all of the Native village schools are situated in the North Island.