SCHOLARSHIPS.—Appendix No. 6 contains a list of the scholarships held during the year, copies of the papers set for the examination held in December, 1878, and the programme of subjects of examination for 1878 and 1879. The number of scholarships now current is twenty-nine—viz., ten open and nineteen restricted to pupils of the primary schools within the education district. Each scholarship entitles the holder to an allowance of £30 per annum, and to free tuition at the Auckland College and Grammar School. The Board has extended the competition for scholarships to girls as well as boys. The capitation allowance of 1s. 6d. per head is found to be barely sufficient to meet the cost of maintaining these scholarships; but the Board trusts that the Government will see their way to increase the allowance for those districts where, as in Auckland, the system has been for many years successfully established.

PUBLIC LIBRARIES.—A list, showing the distribution of the grant allotted to Auckland under "The Public Libraries Subsidies Act, 1877," is appended hereto. By special permission of the Government, the Board was enabled to grant pound for pound of the voluntary subscriptions actually received by each library during the year 1877. Except in one or two special cases, the grant was made in books, purchased by the Board from lists selected (subject to approval) by the committee or managers of each library. At the request of the Government, grants were made in equal proportion to the borough libraries, upon condition of their managers undertaking to comply with the provision of the Act, by opening their reading-rooms to the public free of charge. The Board would suggest that some definition of the term "public library" should be prescribed, and that for this purpose it might be well to bring into practical operation the provisions as to incorporation of libraries contained in "The Public Libraries Powers Act, 1875."

GIRLS' HIGH SCHOOL.—This school, which was opened in 1877, has increased in a very remarkable manner during this year. At Easter, 1878, consequent upon the resignation of the lady-principal, a resident headmaster, Mr. Neil Heath, was appointed, and Mrs. Heath undertook the supervision of the boarding department. The number of scholars increased during the year from 103 to 153.* The income from fees was £791 10s., and the expenditure £1,767 3s. 4d.

By the passing of "The Education Act, 1877," the authority which previously existed for the maintenance of this school was apparently repealed; but during the last session of the General Assembly a special measure was introduced and passed, placing it under the control of this Board. That Act contains provision for an endowment of land to the value of £5,000, but some time must necessarily elapse before any revenue can be derived from this source. Hitherto the Board has endeavoured, with the help of the capitation grant allowed for the numbers at this school, to meet the excess of expenditure out of the ordinary funds at its disposal; but it is clear that this arrangement cannot be continued without severe injury to the Board's financial position. One of the objects held in view by the promoters of this school was to supply a means of training for female teachers, and the Board desires, if possible, to carry out, with the sanction of the Government, some arrangement of the kind. The Board trusts that measures will be taken, during the next session of the Assembly, to place this school on a footing equal to that occupied by similar institutions in other parts of the colony. The erection of a suitable and permanent building, with separate accommodation for boarders, and with ample area for playground, is absolutely essential for its future success.

TRAINING COLLEGE.—The Board has entered upon certain arrangements, preliminary to the opening of a normal school or college, for the training of teachers in this district.

In conclusion, the Board desires gratefully to acknowledge the valuable advice and assistance which has been afforded by the Minister and the officers of the Education Department during the past year.

Adopted at a meeting of the Board this 28th day of March, 1879.

J. LOGAN CAMPBELL, Chairman.

GENERAL STATEMENT of INCOME and EXPENDITURE for Year ended 31st December, 1878.

Income.	£	s.	d.
To Balance, 1st January, 1878—Maintenance Account	2,260	0	7
Balance, 31st December, 1877—Buildings	1,970	11	1
Grants from Government—Ordinary ...	40,291	9	11
" " Buildings ...	19,000	0	0
Education Reserves—Net receipts (less management, £65 15s. 6d; cost of deeds, £22 4s. 6d.)	295	15	3
Arrears of rates collected	3	0	8
Fees for Higher Education—Girls' High School	791	10	0
Fees for Higher Education—Training-class fees	42	15	0
Subscriptions and Donations—School buildings	964	5	0
Incidental—Forfeited deposit ...	10	0	0
" Grammar School Trust ...	431	14	3
" Refunds, school books ...	211	2	3
" Refunds, rents	19	10	0
" Refunds, law costs ...	3	3	0
	£66,294	17	0

Expenditure.	£	s.	d.
By Office and Board—			
Office staff, salaries	1,241	9	8
Clerical assistance	155	11	0
Departmental contingencies ...	1,345	15	10
Inspection—Salaries	600	0	0
" Travelling expenses ...	111	5	0
" Examination of teachers ...	107	14	1
Teachers' salaries and allowances ...	27,478	16	6
Teachers' salaries, Girls' High School ...	1,767	3	4
School Committees for educational purposes	3,067	15	4
Insurance on buildings	247	1	0
Scholarships	500	0	0
Training of teachers	2,519	12	6
Buildings—Works, &c.	23,035	9	11
" Plans and supervision ...	526	14	6
Count de Zaba's History Charts ...	75	0	0
Teachers' Library	46	8	6
Teachers' travelling expenses	33	15	9
School books (see Income)	211	2	3
Rates on property held by Board ...	25	2	0
Grammar School Trust	466	10	3
To replace cash stolen from Treasury ...	77	19	9
Balance in hand	2,654	9	10
	£66,294	17	0

* Since January, 1879, the number of scholars has increased to 200; and, in consequence of the inadequacy of the accommodation in the Wesley College premises, the Board has been obliged to incur an expenditure of £350 in the erection of a temporary schoolroom, with power of removal at the expiration of the lease of those premises.