

*Expenditure.*

	£	s.	d.	£	s.	d.	£	s.	d.
By Payments to Boards—									
Wellington Education Board	227	11	0	...	...	...	227	11	0
Wanganui Education Board...	122	9	0	...	...	...	122	9	0
Salaries of officers	84	4	0	3	6	0	87	10	0
Rates	50	12	11	155	19	7	206	12	6
Fencing, bushfalling, &c.	86	15	0	...	...	...	86	15	0
Advertising, printing, &c.	29	3	6	...	...	...	29	3	6
Auction sales expenses	22	16	9	35	5	0	58	1	9
Law-costs	7	7	4	42	15	0	50	2	4
Postage, stationery, &c.	17	2	9	0	13	5	17	16	2
Telegrams, &c.	2	3	9	...	...	...	2	3	9
Construction of footways	2	15	0	...	...	...	2	15	0
Land-transfer fees	14	11	4	...	...	...	14	11	4
Exchange on remittances	0	15	6	0	2	0	0	17	6
Rents written off	66	10	0	...	...	...	66	10	0
Advances to Secondary Account	197	0	4	...	...	...	197	0	4
Advances repaid	...	...	...	36	2	1	36	2	1
Balance, 31st December, 1888...	371	9	2	...	...	...	371	9	2
Total expenditure	1,303	7	4	274	3	1	1,577	10	5

*Assets.*

	£	s.	d.	£	s.	d.	£	s.	d.
Cash balance, 31st December, 1888	371	9	2	...	...	...	371	9	2
Arrears of previous years	128	18	3	...	...	...	128	18	3
Arrears of current year	351	0	0	7	3	3	358	3	3
Land Purchase Account	12	0	0	...	...	...	12	0	0
Advances outstanding	160	18	3	...	...	...	160	18	3
Total assets	1,024	5	8	7	3	3	1,031	8	11

*Liabilities.*

	£	s.	d.	£	s.	d.	£	s.	d.
Advances from Primary Account	...	...	...	160	18	3	160	18	3
Land Purchase Account	12	0	0	...	...	...	12	0	0
Total liabilities	12	0	0	160	18	3	172	18	3

NOTE.—The arrears of rent on the present date amount to £275 5s. 9d., having become reduced since 31st December by £211 15s. 9d.

Wellington, 12th February, 1889.

J. R. BLAIR, Chairman.  
W. H. WARREN, Secretary.

*Auditor-General's Report on the Accounts of the School Commissioners for the Wellington Provincial District for the Year ended 31st December, 1888.*

I am unable to certify this account to be correct, the Commissioners having no power to transfer funds from one purpose to another, the funds belonging to the primary and secondary reserves being separate trusts under the Act.

JAMES EDWARD FITZGERALD,  
Controller and Auditor-General.

The School Commissioners, in reply to the above remarks of the Auditor-General, refer to their annual reports for 1887 and 1888, which will fully explain the transaction and elucidate the position in which the Commissioners were placed. Their report for 1887 (page 95 of the eleventh annual report of the Minister of Education) clearly shows that the Commissioners recognised their responsibilities. Being compelled to act, they did so in the manner shown in the accounts and referred to in their report for 1888; but the payments from Primary to meet expenditure on Secondary Reserves Account, to which the Auditor-General has taken exception, were made with the sanction of the Minister of Education.

Wellington, 10th May, 1889.

J. R. BLAIR, Chairman.

HAWKE'S BAY.

SIR,—

Office of the School Commissioners, Napier, 20th May, 1889.

In compliance with your circular of 6th December last, I have the honour to report as follows for the past year:—

In the early part of the year the Commissioners became subject to the provisions of sections 5 to 8, inclusive, of "The Public Bodies' Powers Act, 1887," and in July the whole of the provisions