School Drill and Physical Exercises.—Drill is taught in nearly every school in the district, and, while in a few schools more might be done to comply with the regulations of the Board, generally an honest endeavour is made by both male and female teachers to give their pupils a good physical training.

This district is fortunate in having among its teachers many who have had considerable experience in the New Zealand Volunteer Forces, and in all the larger schools the boys receive a good training in both military and physical drill. In six of the schools cadet companies have been formed, and under the system now being organized by Major Loveday it is expected that the boys in these schools will receive a thorough military training.

While the boys are generally receiving efficient instruction in drill the girls are not being neglected, and it is pleasing to notice in many of our schools with what zeal both girls and boys go through their various exercises with and without wands, dumb-bells, and clubs.

During the year a Conference of Education Boards was held at Wellington, the South Canterbury Board being represented by the Rev. George Barclay. The Conference afforded to the delegates from the various Boards of the colony an opportunity to interchange ideas, to discuss various questions affecting education, and to bring these questions and the financial needs of the Boards under the notice of the Government. I have, &c.,

The Hon. the Minister of Education, Wellington. Wm. B. Howell, Chairman.

General Statement of Receipts and Expenditure for the year ending 31st December, 1902.

Receipts.	£	s.	d.
Credit balance at beginning of year—			
On Building Account	1,339	1	3
On General Account	373	11	5
Government grant for buildings	1,800	0	0
Subscriptions and donations for buildings	27	9	9
Other receipts for buildings—			
Special Vote, Waihaorunga	323	0	0
Special Vote, Waihao Downs	250	0	0
Sales—Rangitata Island, £102 7s. 6d.; Winchester, £190 5s.; Interest, £5 ..	297	12	6
Other grants from Government—			
Capitation for relieving-teachers ..	83	11	3
Allowance, £250, and capitation at 11s. 3d.	2,754	5	5
Addition to statutory capitation, 1901	508	7	6
Salaries and allowances of teachers—			
Net amount paid by Government ..	13,602	5	11
Paid by school commissioners ..	3,143	17	7
Scholarship grant (5 quarters) ..	415	4	6
District High Schools—			
Grants	82	10	0
Capitation	502	5	4
Manual and technical instruction—			
Capitation for—			
School classes	6	9	10
Associated classes—			
Continuation	51	15	3
Manual and technical instruction	59	14	6
Grants for—			
Apparatus	73	14	6
Material	8	12	0
Instruction of teachers	125	0	0
District High School fees	2	0	0
Other Receipts—			
Waimate High School Board contribution	60	0	0
Greenhills contribution, £15; truancy fines, £2 8s. 0d.; sale, stove, 5s.	17	13	0
Rents, £51 11s. 5d.; refunds, £35 2s. 4d.	86	13	9
	£25,994	15	3

Expenditure.	£	s.	d.
Office staff—Salaries and clerical assistance	322	7	6
Departmental contingencies	289	19	0
Inspectors' salaries and travelling-expenses	975	0	0
Truant officer's salary and expenses ..	86	16	0
Examination of pupil-teachers	26	4	1
Scholarships—			
Paid to scholars	319	17	5
Examination expenses	15	12	3
Teachers' salaries	17,713	7	11
Teachers' house allowances	226	13	4
Pupil-teachers' lodging allowances ..	14	6	8
Incidental expenses of schools	1,074	1	6
School buildings—			
New buildings	1,795	12	3
Improvements of buildings	515	19	4
Furniture and appliances	197	13	11
Sites	91	17	6
Plans, supervisions, and fees, Bank exchange, 10s.	283	12	0
Manual and technical instruction—			
Salaries	46	13	0
Payments to committees	32	7	5
Capitation paid to managers of associated classes	106	14	9
Fitting up woodwork-room	15	0	3
Apparatus	47	3	10
Material	8	19	0
Rent, woodwork-room	13	18	0
Incidentals	2	15	0
Other expenses—			
Exchanges and petties, £17 7s. 0d.; Bank charge, 10s.	17	17	0
Railage on South Kensington exhibits ..	1	9	2
Schools amateur athletic association ..	5	0	0
Expenses of member to Wellington to conference of Boards	10	0	0
Credit balance at end of year—			
On Building Account	267	8	6
On General Account	1,470	8	8
	£25,994	15	3

Wm. B. Howell, Chairman.
J. H. Bamfield, Secretary.

Examined and found correct, except as to payments of £5 to the School Amateur Athletic Association and of £10 expenses of member to Wellington, for which there is no authority of law and which are therefore disallowed.—J. K. Warburton, Controller and Auditor-General.

OTAGO.

Sir,— Education Office, Dunedin, 31st March, 1903.

In accordance with the provisions of section 102 of "The Education Act, 1877," the Education Board of the District of Otago has the honour to submit the following report of its proceedings for the year 1902:—

Board.—At the commencement of the year the Board was composed of the following members: Rev. P. B. Fraser, M.A., Messrs. James Sim, Donald Borrie, William Snow, William Nicolson, Thomas Mackenzie, M.H.R., James Mitchell, Robert Peattie, M.A., and Alexander Marshall, B.A. Messrs. Borrie, Nicholson, and Snow, the retiring members, were re-elected in August. At the first meeting of the Board in September Mr. William Snow was elected chairman.