buildings, £1,704; repairs and improvements, £995; furniture and appliances, £52; sites, £19; plans, &c., £283; advertising tenders, £22—a total of £3,078 18s. The total receipts for buildings, inclusive of special grants for the erection of schools in newly settled districts, amounted to £4,095 13s. 4d., so that on the year's transactions the Board's building fund has gone to the good to the extent of £1,016 15s. 4d., the debit balance at the end of the year being only £393 4s. 5d. as against £1,409 19s. 9d. for the preceding year. As against this undoubtedly satisfactory feature in the balance-sheet, it must be borne in mind that there are (according to Return No. 6) actual liabilities amounting to £1,116, which must be provided for. There are also several very heavy prospective liabilities, as several of our largest schools will shortly require to be either in whole or in part rebuilt, and for these works a very considerable sum will be necessary. The principal works undertaken during the year, the cost of which is included in the foregoing statement of expenditure, are the erection of teachers' residences at Gore and Otakau respectively, an addition to the teacher's residence at Balfour, and the purchase of a school building at Crown Terrace, in addition to which all the works mentioned in last year's report as those for which tenders had been invited have been successfully completed and paid for. The erection of a new residence at Gore had become an imperative necessity owing to the decayed and insanitary condition of the old building.

Finance.—On no occasion of the preparation of the accounts during the past ten years has the Board's financial outlook been less encouraging. This is in part due to the declining average attendance at its schools, which has the direct effect of reducing its regular income without reducing in a corresponding degree its expenditure. The substantial increase in the allowances made two years ago to School Committees for the incidental expenses of schools, which involved an extra expenditure of about £320 to £330 per annum, has also had its effect on the Board's finance. In previous reports the urgent necessity for payment of an increased capitation grant to Boards was pointed out. So far the only result of these representations has been the passing by Parliament of a special vote for increasing teachers' salaries. Failing the fulfilment of the promise to provide for a colonial scale of teachers' salaries, this action of the Government as a tentative measure is entirely praiseworthy. It is hoped, also, that in the readjustment of finance necessary on account of the introduction of a colonial scale of salaries, the necessity for providing on a liberal scale for the incidental expenditure of Boards will not be overlooked. The certified statement of the Board's income and expenditure is appended hereto. Taken in comparison with the previous year's balance-sheet, the following features are worthy of comment: The accounts for the year 1899 closed with a credit balance of £1,177. This year the amount to credit has increased to £1,249. This is satisfactory so far as it goes, but an analysis of the figures also shows that at the end of the preceding year the Building Account was in debit to the extent of £1,409, while the General Account was in credit £2,587. At the close of the year 1900, however, the debit to Building Account showed a decrease of £1,016, while the credit balance to Maintenance Account also showed a shrinkage to the extent of £945. These facts indicate that, while the Board has for the first time for many years been fairly well able to cope with its building expenditure, the increase of charges against the Maintenance Account will soon leave the amount to its credit a minus quantity. As against the balance to credit of General Account (£1,642) there are liabilities amounting to £734; while to increase the debit balance of the Building Account (£393) obligations have been entered into amounting to £1,116.

By order of the Board.

The Hon. the Minister of Education, Wellington. JNO. NEILL, Secretary.

GENERAL STATEMENT of RECEIPTS	and Ex	KPE:	ND]	TURE for the Year ending 31st December	, 19	00.
To Balance— & s. d On Building Account Dr. 1,409 19 9 On General Account Cr. 2,587 0 6 Government grant for buildings	1,177 4,071		d. 9 0	Inspectors' salaries 75 Inspectors' travelling-expenses 20 Truant Officer's salary and expenses 20	8 8 9 17 0 0 5 9 0 0	8 0 1 3
Subscriptions and donations for build- ings Government statutory capitation	$\substack{24\\26,177}$	4	4 2	Examination of pupil teachers 1 Teachers' salaries and allowances (including rent, bonus, &c.) 26,88	3 9	6
Scholarship grant	610 300	5	0		5 12	3
struction Sohool Commissioners Rents of school sites	3,535 $93$	10	0 4 9	Examination expenses	15	
Interest on fixed deposits	76	0	0	Furniture and appliances 5 Sites 1	18 18 12	
				Advertising tenders 2 Interest on overdraft	3 15 2 12 7 3	9
				Balance— $\pounds$ s. d. On Building Account $Dr$ . 393 4 5 On General Account $Cr$ . 1,642 9 3	5 13	
	£36,070	7	5	£36,070		5
JOHN COWIE Chairman						

John Cowie, Chairman. JNO. NEILL, Secretary and Treasurer.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.