As will be seen from their report, the Inspectors consider that the prescribed table of standard passes is a very inadequate expression of the condition of the schools, that the new regulations make the standard pass too easy, and that the too easy passing of the pupils in the standards below Standard VI. must necessarily reduce the efficiency of the work done in Standard VI. It is their opinion that a pupil who fails in two important subjects of any class should not be promoted to a higher class. A considerable number of the passes included in the table annexed to the Inspectors' report are passes with failure in two important subjects.

In the pass and additional subjects the general marks are the same as those of last year; but in the class subjects the mark has dropped from satisfactory to fair. The Inspectors think that the lower mark is due to two circumstances—(1) that the Dunedin and suburban and some other large schools are unrepresented in the table; (2) that the working-year of the schools represented in it was too short for the achievement of good educational results. The schools represented in the table worked on the average only 193 days, and those unrepresented in it only 196 days. In other words, the average number of working-days on which the schools were closed was $66\frac{1}{2}$, or a little over thirteen weeks.

The results show that more than half of the small schools in which a Standard VII. class is taught are doing work of quality that ranges from satisfactory to very good. In their report the Inspectors discuss the question of making better provision than is now made for instruction in work beyond the standard requirements.

By order of the Board.

The Hon. the Minister of Education, Wellington.

P. G. PRYDE, Secretary.

	GENERAL STATEMENT of RECEIPTS &	and Ex	PEN	DI	TURE for the Year ending 31st Dece	mber,	190)1.
	Receipts.			- 1	Expenditure.	£	s.	ā
	Government grant for—	£	a. d	ı. İ	Balance	1 960	15	Q.
	Government grant for— Buildings	6.000	0	n l	Office staff—Salaries	1 146	10	10
	Removal of school buildings at Lauder	160	ň	ňΙ	Balance	264	ă	1
	Other receipts for buildings—	100	•	١	Inspectors' salaries and travelling expenses	0 005	0	7
	Local contributions	40	Ω	5	Truent Officer's selery and expenses	2,220	ő	0
	Local contributions	10	3		Truant Officer's salary and expenses	27	10	7
	Ctotutory agritation	13	0	- 1	Examination of pupil-teachers Scholarships—			
	Paid by Covernment	56 499	14	e	Paid to cabolars	1 076	11	0
	Statutory capitation— Paid by Government Paid by School Commissioners	0 451	14 .	4	Evamination expenses	1,270	11	o c
	Addition to statutory conjustion For	0,401	13.	*	Training of toochors	015	9	0
	Addition to statutory capitation — For	0.074	14	٦	Training of teachers	910	10	2
	Cabalanahin grant	1 200	15	1	Paid to scholars	00,991	TO	T .
•	District High Schools Conitation	500	10	7	Punil teachers' ledwing allementes	100	Ŏ	0
	District Aigh Schools—Capitation	500	10 7	2	ruph-teachers looging-allowances	192	10	0.
	Inspection subsidy	500	0 '	٧I	Cabaal baildings	4,656	19	8
	Grant for training of teachers	500	U	u۱	School buildings—	0.000		_
	teachers' salaries				New buildings	2,302	19	1
	Capitation for—				improvements of buildings	8,060	9	4
		29	3	8	Rebuilding schools destroyed by fire	6	_8	0
	Special classes (School of Art and	054	10		Furniture and appliances	229	14	11
	Design)	354	16 (6	Rent of buildings used for school pur-			_
	Grants for—	000		.	poses	28	15	0
	Training of teachers Swimming	200		0	Sites	79	U	U
	Swimming	47	17 (6	Plans, supervision, and fees	347		
	Grants for rebuilding schools destroyed by			.	Pembroke Church buildings	19	3	0
	fire	46		- 1	Manual and technical instruction—			
	Grant for Pomahaka School	40	0 (Salaries, School of Art and Design			4
	District High School fees	6.	10 (Payments to Committees (Tokomairiro)	2 9	3	8
	Fees for manual and technical instruction	278	3 (0	Grant, Dunedin Technical Classes Asso-		_	
	Other receipts—	_			ciation	75		0
	Truancy fines Rent of offices (School Commissioners) Science and art examinations (fees)	1	8 (0	Incidentals, School of Art and Design	75	2	3
	Rent of offices (School Commissioners)	81	5 (0	Other expenses.—			
			4 (6	Truency fines paid to School Committees	2	8	
	Transfer of balances of Committees of		_	_	Members' expenses	261		
	schools closed		2 :		Gymnastic instruction	166		
	Rents of school-sites Sale of ink-wells		12 (Interest and bank account	46	12	
	Sale of ink-wells	1	4	0	Science and art examinations	15	4	_
	Expenses of Royal visit: School Com-				Members' expenses Gymnastic instruction Interest and bank account Science and art examinations Inspection expenses	16	10	6
	missioners and High Schools Board "The Local Authorities Indemnity Act,	_		. 1	Manual and technical instruction of			
	"The Local Authorities Indemnity Act,	6	13	4	teachers Swimming	107		
	1901": Reception of Duke and			- 1	Swimming	16	5	0
	_ Duchess of Cornwall and York /	_	_		Royal visit: "The Local Authorities)			
	Rent of room	1	0	0	Indemnity Act, 1901 "	23	4	a
					Reception of Duke and Duchess of	20	-	
					Cornwall and York			
	·				Balance— £ s. d.			
					On General Account, Cr. 4,005 3 11			
					On Building Account, Dr. 2,442 13 9			
				- 1		1,562	10	2
	-	070 000		7	-	70.000		
	3	£78,263	9 1	_	ಮ 	78,263	9	U
				_	_			

P. G. PRYDE, Secretary and Treasurer.

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