The following table shows the number of pupil-teachers who sat at the annual examination, the number that passed, and the number that failed:—

83

			Presented.	Passed.	Failed.
First class		 	31	29	$^2$
Second class		 	23	20	3
Third class		 	47	42	5
Fourth class	• • •	 •••	48	<b>47</b>	. 1

Four were removed for having twice failed to pass the examination for promotion to a higher class

Buildings.—During the year the building operations of the Board have been on a very restricted scale. The amount apportioned out of the current year's vote falls very far short of what is required. Unless a more liberal grant is made next year, a very great hardship will be inflicted upon the large number of householders who have recently settled in the outlying districts. Many of these have large families, and not unreasonably expect that they should share, along with their more favoured neighbours, the benefits of the education system. The total expenditure on schoolbuildings was £6,935 11s. 8d. A detailed statement, showing the amount spent in each district, is

given in Appendix A. [See Table No. 9, ante.]

Finance.—The balance-sheet of the Board's accounts for the year, certified by the Auditor, follows this report. The amount paid in teachers' salaries, bonuses on classification, &c., was £64,696 19s. 6d.; and the amount paid to School Committees for incidental expenses was £6,292 9s. 5d. A statement of the amounts contributed by the Board to each school for teachers' salaries, &c., for allowances to School Committees in aid of the school fund, and of the sums paid for the erection, enlargement, and improvement of school-buildings, will be found in Appendix A.

Drawing Department.—The report of the headmaster of the drawing department is appended. The classes were attended by 403 students—viz., 119 teachers and pupil-teachers, 79 students in training, 61 students at the afternoon classes, 144 artisans and other students in the evening. The expenditure on the department for the year was: Salaries, £611; travelling and other expenses, £88 3s. 6d.: total, £699 3s. 6d. The sum of £145 3s. 5d. was received for fees.

SCHOOL COMMITTEES' Accounts.—An abstract of the income and expenditure of the various School Committees will be found in Appendix F. [See Table No. 6, ante.] The Board's contributions for the year amounted to £6,292 9s. 5d., and the districts raised locally £1,426 8s. 5d. The balance standing to the credit of Committees at the end of the year was £1,979 4s. 4d., being £432 19s. 2d. in excess of the amount of the previous year. The accounts were audited, as in former years, by the Board's chief clerk.

Scholarships.—Nineteen scholarships—eleven senior and eight junior—were awarded at the end of the year, the annual examination being held on the 19th December and following days. Forty candidates entered for the senior and sixty-eight for the junior. In addition to the scholarships awarded by the Board, fifteen candidates obtained sufficient marks to entitle them to three years' free education at the Boys' and Girls' High Schools. There are at present sixty-one pupils receiving free education at the High Schools under the scholarship scheme. The Examiners' report, copies of the examination papers, and the names of those holding scholarships are given in endix M. [Not reprinted.]
By order of the Board. Appendix M.

The Hon. the Minister of Education.

P. G. PRYDE, Secretary.

## GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1887.

Receipts.	£ s. d.		£ s. d.
To Balance at beginning of year	19 9 8		1,010 0 0
Government grant for buildings	9,355 13 0	Departmental contingencies	633 15 11
Statutory capitation	64,101 4 8	Inspectors' salaries	1,450 0 0
Special capitation	4,137 16 8	Inspectors' travelling expenses	647 15 7
Scholarship grant	1,628 10 6		30 5 6
Inspection subsidy	500 0 0		
Grant for training of teachers	2,000 0 0		64,696 19 6
Payments by School Commissioners—		Incidental expenses of schools	6,292 9 5
For primary education	5,254 1 6	Training of teachers	2,407 8 11
For secondary education	175 8 3		_,,
District High School fees	107 6 0		1,280 0 0
Interest	75 0 0		34 0 2
Drawing fees	145 3 6	School-buildings—	
Sale of school sites	144 12 4	New buildings	4,341 5 10
Rent of school sites	3 11 6		1,035 6 9
Anonymous donation	1 0 0	Furniture and appliances	437 18 0
•		Sites	330 15 0
		Plans, supervision, and fees	790 6 1
		School of Art	699 3 6
		Rents	$28 \ 6 \ 0$
		Balance at end of year	1,503 1 5
	505.010.45.5		
	£87,648 17 7		£87,648 17 <b>7</b>

P. G. PRYDE,

Secretary and Treasurer, Otago Education Board. Correct by Treasurer's books and vouchers.—H. Livingston, Auditor.