Public Libraries.—The usual supply of books for the public libraries, to the value of £2,386 5s. 11d., was received and distributed during the year. The public libraries, so far as the Board can ascertain, are very generally used by the people resident in the districts where they are established. Many of the volumes bear marks of repeated perusal, and the local subscriptions for the establishment and enlargement of the libraries come forward freely. As might be expected, they are in most places more patronised in the winter than during any other season. Works of fiction of the better class are much in demand, but works of travel, biographies, and histories, are largely inquired for. A good number of Library Committees make out a list of the books they desire, and it is to be hoped that this practice will become more general, as the importation of unsuitable works will thereby be avoided. Formerly it was the practice of the Board to give an amount equal to that raised by local subscriptions, but the sum now allotted to this education district by the department does not allow of the continuance of so liberal a subsidy. For the year, the Board has not been able to give more than 14s. 1d. for every £ raised locally by the committees, but this has led to considerable complaints on the part of the local subscribers.

School Penny Banks.—The proposal to establish School Penny Banks has not been received with much favour in this district. There has been a general feeling that the work of the teachers was already sufficiently laborious, and a decided reluctance to add this burden to their existing duties. The Board has in this matter stood neutral, and allowed committees and teachers to act as they thought desirable. Only in two small schools have Penny Banks been initiated, and the Board is not aware of the measure of success that has so far attended their operation.

School Arrangements.—In the Board's schools no attempt has been made to separate the sexes during instruction. All experience appears to prove conclusively that both for elementary and higher education the simultaneous teaching of boys and girls in the same class or room can be carried on with results which are in every respect satisfactory. There can be little doubt that in a well-managed school the presence of both sexes exerts on each a wholesome and refining tendency. Outside the walls of the class-room the separation in all the Board's larger schools is complete, and due provision for this is all that has been aimed at or is deemed necessary. In most of the larger schools provision is made for supervision of the play-ground by a teacher during the mid-day interval, and separate shelter or playsheds are in these cases also provided for boys and girls.

sheds are in these cases also provided for boys and girls.

As regards the character of the school furniture now provided by the Board, it will be sufficient to say that all the smaller schools are provided with seats and desks arranged in a gallery, that in the larger schools the seats and desks are arranged along the length of the room, that the desks are always fixed and the seats moveable, that ample space for moving out and in is allowed, and that as liberal space for class drill and floor exercises is provided as considerations of cost permit. Particular attention has been paid to ventilation in all the newly-built schools. The windows can be lowered at the top, and ventilators in the walls allow fresh air to enter considerably above the level of the pupils' heads, while the impure air is carried off by one or more Archimedean-screw outlets. In the older schools ventilation had been greatly neglected, and this is one of the many matters which the Board is doing its numost to remedy as far as the funds at its disposal will permit.

utmost to remedy as far as the funds at its disposal will permit.

No evening schools are conducted by the Board; but in Dunedin, during the winter season, evening classes are conducted in one of the Board's schools very efficiently, and with great success, by the Caledonian Society of Otago. In some other districts the teachers have conducted evening classes, but their efforts have not been stimulated or aided in any way by the Board.

The Compulsory Clauses.—The enforcement of the compulsory clauses is, by the Education Act, entrusted to school committees. It is not necessary for them to account to the Board for their performance of this duty. It appears manifest that the provisions of the Act on this subject have hitherto practically remained a dead letter. The Board, however, understands that efforts to bring them into operation are about to be made by the Dunedin and some other school committees.

The Hon. the Minister of Education.

By order of the Board.
P. G. PRYDE, Secretary.

GENERAL STATEMENT OF RECEIPTS and EXPENDITURE for the Year ending 31st December, 1879

GENERAL STATEMENT OF RECE	IPTS	and Expende	TURE for the Tear ending 51st December, 1879.	
Income. To Balance, 1st January, 1879 Grants from Government—		£ s. d. 20,267 6 7		
Statutory Capitation (£3 15s.)		41,367 18 4	Office staff, salaries 743 15 0	•
Grants to Committees (10s.)	• •	6,796 4 2	Departmental contingencies 455 13 8	3
Scholarships (1s. 6d.)	• •	193 0 0	School Inspection—	
Inspection subsidy	• • •	500 0 0	Salaries 1,000 0 0)
Training Institution	• • •	2,000 0 0	Travelling expenses 413 18 6	3
Specially for Buildings	• • •	27,546 10 10	Examination of pupil teachers 13 1 6	
Payments by School Commissioners			Teachers' salaries and allowances 44,220 15 1	L
Education Reserves		10,205 8 0	School Committees, for educational pur-	
Fees for District High Schools	• • •	43 7 6	poses 6,404 10 5	í
From Public Libraries Vote	• • •	1,130 0 0	Scholarships—	
School of Art Fees		105 3 0	Paid to holders 312 10 0	
Sale of School Sites (net proceeds)		385 12 6	Expenses of examinations 42 11 6	
School Books sold		5 18 0	Training of teachers 2,241 9 0)
Public Library Deposits		682 15 3	School Buildings—	
Interest on Credit Balances		1,089 13 6	New buildings 31,035 0 6	;
		•	Enlargement, improvement, and re-	_
			pairs 7,426 12 8	
			School furniture and appliances . 1,215 12 7	
			Purchase of sites 3,150 0 0	
			Rent allowances	
			Plans, supervision, &c 1,034 4 3 Public libraries 2,386 5 11	
			Public libraries 2,386 5 11 Drawing Master's Department—	-
	_		Balance in Bank of New Zealand 8,678 8 9	,
	3	£112,318 17 8	£112,318 17 8	<u>.</u>
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P. G. PRYDE, Secretary and Treasurer Otago Education Board.

I have examined the above abstract and compared it with the Treasurer's books and vouchers, and with the Bank pass-book, and I declare it to be correct.

F. LIVINGSTON, Auditor.