High Schools granted free education for three years at the High School, to thirteen competitors who made 50 per cent. and over of the attainable marks. The Board has pleasure in referring to the liberality of the Board of Governors in this matter. There are at present fifty-two pupils receiving free education at the high schools under the scholarship scheme.

Drawing Department.—The report of the headmaster of the Drawing Department will be found below. The classes were attended by 384 students—viz., 93 teachers and pupil-teachers, 59 students in training, 57 students at the afternoon classes, 175 artisans and other students in the evening. The total expenditure on the department amounted to £586 6s. 3d., and the sum of £232 2s. 3d. was received for fees.

By order of the Board,

P. G. PRYDE, Secretary,

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1884.

Receipts.		£	s.	d.	Expenditure.	£	s.	d.
To Balance on 31st December, 1883		3,308	14	0	By Office staff, salaries	973	15	0
Government grant for buildings		10,628	0	0	Departmental contingencies	590	18	2
Statutory capitation at £3 15s.		56,432	19	5	Inspectors' salaries	1,450	0	0
Special capitation at 5s		4,334	15	0	Inspectors' travelling expenses	570	0	5
Scholarship grant, at 1s. 6d.		1,263			Examination of pupil-teachers		13	6
Inspection subsidy	• •	500	0	0	Teachers' salaries and allowances (in-			
Grant for training of teachers		2,000	0	0	cluding rent, bonus, &c.)	58,531	11	2
Grants for other purposes		200	0	0	Incidental expenses of schools	5,860	3	9
School Commissioners—					Training of teachers	2,526	16	5
For primary education		9,608		8	Scholarships	1,249	7	11
For secondary education		421			School buildings—			
District High School fees		104		0	New buildings	8,573	12	5
Drawing department fees	٠.	232		3	Improvements of buildings	2,108	13	0
Sale of school sites		182		0	Furniture and appliances	438		
Sales of school buildings		36	0	-	Sites	448	3	. 3
Rent of glebe		2	5	0	Plans, specifications, and fees	724	16	11
Sale of library books		66		10	Drawing department	586	6	3
Deposit forfeited		8		0	Balance on 31st December, 1884			
Interest		206	5	0	On General Account	4,883	11	2
		000 500				000 500		
		£89,536	4	_4		£89,536	7	4

I have compared the above abstract with the Treasurer's books and vouchers, and I certify it to be correct.—H. Livingston, Auditor.

STATEMENT of Assets and Liabilities on 31st December, 1884.

A. Exclusive of Building Fund.

Assets.	_ £ s. d.	Liabilities.	£ s. d.
Cash in bank on this account on 31st		Credit balance	. 5,189 7 10
cember, 1884	4,883 11 2	'	
Due from Government for scholarships	305 16 8		
	£5,189 7 10		£5,189 7 10
	B. Building	Fund only.	
•	£ s d.		£ s. d.
Cash in bank on deposit account 31st	De-	Balance of account 31st December, 1884.	. 1,043 11 4
cember, 1884	230 9 6	Balance of amounts due, or to fall due	٠ ,
Balance	2,135 16 4	under contracts	. 343 5 0
		Deposits on contracts	. 230 9 6
		Due on account of school sites	. 750 0 0
	£2,367 5 10		£2,367 5 10

DRAWING-MASTER'S REPORT.

Sir,— School of Art, Dunedin, 31st March, 1885.

I have the honour to submit my annual report on the School of Art for the year 1884.

The total number that received instruction in the school during the year was 384. This total includes 93 teachers and pupil-teachers [this includes 17 students, not pupil-teachers, who have paid a fee of 5s. per quarter], 59 students in training, 57 students who attended the day class, and 175 students who attended the evening classes.

Day Classes.—The same course of instruction has been pursued as heretofore, added to which there has been established a class for drawing and painting from the living model, which meets every morning at eight o'clock. Several of the students studied modelling in clay from the antique. The advanced students who qualified were every Saturday, weather permitting, taken out for a day's practice in sketching from nature. The studies from life and the models were exhibited, and were highly spoken of as reflecting great credit upon the students.

The class for teachers and pupil-teachers was open on Tuesdays and Thursdays from 5.45 to 6.45 p.m.; and that for the students in training every day except Friday, from 11 to 12 a.m. Subjects of instruction: Freehand and model drawing, practical geometry and perspective; those of the teachers who have obtained a certificate drawing and painting from the round and from copies. The