

Expenditure.

	£	s.	d.	£	s.	d.	£	s.	d.
By Debit balance, 1st January, 1881	67	8	0	...			67	8	0
Office—									
Salaries and allowances to officers	33	9	3	62	18	5	96	7	8
Printing, stationery, &c.	3	16	8	7	13	4	11	10	0
Expenses of leasing: Advertising and other expenses	14	14	11	29	9	10	44	4	9
Legal expenses	8	17	5	17	14	9	26	12	2
Secretary's travelling expenses	6	18	8	13	17	4	20	16	0
Rates	25	5	9	5	13	3	30	19	0
Sundries	8	14	11	17	9	11	26	4	10
Refunds	18	0	0	74	19	3	92	19	3
Balance	...			1,205	14	1	1,205	14	1
Total expenditure	187	5	7	1,435	10	2	1,622	15	9

Arrears.

	£	s.	d.	£	s.	d.	£	s.	d.
Arrears due on 31st December, 1881	35	0	0	157	0	0	192	0	0
Credit balance, Bank of New Zealand, 31st December, 1881	...			1,205	14	1	1,205	14	1
Total arrears	35	0	0	1,362	14	1	1,397	14	1

Liabilities or Engagements.

	£	s.	d.	£	s.	d.	£	s.	d.
Owing to secondary account	227	16	4	...			227	16	4
Sundry accounts due 31st December, 1881	17	10	0	27	10	0	45	0	0
Balance	...			1,124	17	9	1,124	17	9
Total liabilities	245	6	4	1,152	7	9	1,397	14	1

J. A. BONAR, Chairman.

I hereby certify that I have examined the above statement, compared it with vouchers, cash-book, ledger, bank pass-book, and other documents connected therewith, and find them correct and according to law.—W. A. SPENCE, Auditor.—1st May, 1882.

OTAGO.

SIR,—

Dunedin, 18th April, 1882.

In pursuance of Order in Council of date 17th December, 1878, and in accordance with Circular No. 88, dated Wellington, 2nd December, 1881, I have the honour to forward report of the School Commissioners of the Provincial District of Otago for the year ended 31st December, 1881.

During the year the Commissioners leased 31 town, 11 suburban, 10 rural, and 7 pastoral sections in different parts of the provincial district, at an annual rental of £376 13s. 10d.

The Commissioners take this opportunity of again urging the Government to introduce a Bill during the coming session of Parliament, giving them power to sell education reserves where deemed advisable. During the year 1881 they have made three unsuccessful attempts to lease the reserves in Block X., Waikaia District, and are thoroughly convinced of the impossibility of settling the land in this neighbourhood in any other manner than by selling it outright. A large proportion of the education endowment is now lying idle, and fostering the increase of rabbits, through the inability of the School Commissioners to dispose of it. The settlers in the neighbourhood of Waikaia have been for some time past agitating in favour of having the reserves in that district opened up for settlement; and the Commissioners are assured that nearly all the available land would be taken up readily if thrown open for sale; in fact, they have received numerous applications for it. The success attending the sale of the Otago Boys' and Girls' High Schools land at Wyndham leads the Commissioners to believe that no difficulty would be experienced in disposing of a large portion of the reserves at satisfactory prices. There are so many inducements being held out at the present time to purchasers of freehold, that people will not lease land in small or moderate-sized areas; and the Commissioners fear that, unless something is done in the manner indicated, they will be looked upon as standing in the way of settlement. The leases of a number of the education reserve runs fall due in March, 1883, and, as in the case of Run 88, which is being leased from year to year at a comparatively nominal rent, it is absolutely necessary that the mode of dealing with them should be determined