

Assets.

	Primary- education Estate.	Total.
	£ s. d.	£ s. d.
Cash in bank, as above	...	310 14 3
Rents payable in advance, 1st May, 1895—Proportion uncollected ...	91 19 6	
Rents payable in advance, 1st Nov., 1895—Proportion uncollected ...	2,106 1 1	2,198 0 7
Total assets	...	2,508 14 10

Liabilities.

	£ s. d.	£ s. d.
Steward's salary, December, 1895	...	45 0 0
Awaiting appropriation in purchase of land	...	163 3 5
Total liabilities	...	208 3 5

H. R. WEBB, Chairman.

H. H. PITMAN, Steward of Reserves.

Examined and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

OTAGO.

SIR,—

Dunedin, 1896.

In accordance with Order in Council of the 17th December, 1878, I have the honour to submit the following report of the School Commissioners of Otago for the year ended 31st December, 1895:—

During the year twelve regular meetings were held, at which a large amount of routine business was transacted.

In the course of the year the Commissioners leased two pastoral, thirty-eight agricultural, and sixteen town reserves in various parts of Otago and Southland. The area of the pastoral land was 29,590 acres, leased to two tenants at an annual rent of £308 4s. 6d, or 2½d. per acre. The area of the agricultural land was 1,915 acres, leased to nineteen tenants at £341 9s. 8d. per annum, or 3s. 6½d. per acre. The town sections contain about 1 rood each, and were leased to sixteen tenants at £6 8s. per annum, or an average rent of 8s. each. The total number of tenants on the Commissioners' rent-roll at the end of 1895 was 835.

During the year the sum of £4,285 was received as repayment of loans, and £400 was advanced on mortgage. The Commissioners have for some time made it a rule only to advance money on the security of rural land which could be profitably dealt with as an endowment in the event of its coming into their hands under power of mortgage, and, the securities offered during the year being thus circumscribed, they were unable to obtain suitable investments, and therefore deposited £2,000 in the Bank of New Zealand and £2,000 in the National Bank of New Zealand for twelve months at 4 per cent. interest.

In the month of November the Commissioners, having satisfied themselves that the lessee of Runs 193, 254B, 202, and 175B was unable to continue paying the current rent until the expiry of the current leases in 1897, agreed to accept surrender of lease on the 18th March, 1896. Having obtained a knowledge of the land from a personal inspection and report from some of their number, and a recommendation from an expert, the Commissioners resolved to withdraw two blocks of about 6,000 acres each from Runs 193, 254B, and 175B for settlement, and to offer the balance of these runs with Run 202 in two lots of 26,130 acres and 31,332 acres respectively, including four pre-emptive rights, containing 1,383 acres, which they purchased from the lessee of the runs in question at £1 per acre, including improvements.

Of the amount shown in the statement of receipts and expenditure as arrears on the 31st December, 1895, £1,913 18s. 6d. has been collected during the first quarter of the current year, and the Commissioners hold promissory notes for £489 16s. of the balance due. Owing to the exceptional severity of last winter, more than ordinary difficulty has been experienced in collecting rents, and, consequently, the amount outstanding on the 31st December was greater than usual. As, however, the price of produce shows a marked improvement, the Commissioners hope to collect a large portion of the arrears during the present year. I have already stated in former reports that all rents are payable half-yearly in advance, and, as a considerable number of them are not debited until late in the year, they are rarely paid in time for inclusion in the year's accounts.

I should like to explain that, of the items £1,227 18s. 8d. and £37 5s. 9d., shown in the statement of accounts under the head of "Expenditure on Account of Primary and Secondary Education Reserves," £125 was paid to the Southland County Council as subsidy to roads, £61 16s. 6d. was expended on protective works and drainage, £5 12s. was paid for rates, £7 19s. 2d. for rabbiting, while £94 14s. 4d. went to the Government for train-fares, stamps, telegrams, &c. (£43 14s. 3d. of this amount representing train-fares of the School Commissioners from Southland in connection with their attendance at meetings in Dunedin). The sum of £18 18s. 3d. was