

STATEMENT of ASSETS and LIABILITIES.

	Primary.	Total.
<i>Assets.</i>		
Cash in bank, as above	£ s. d.	£ s. d.
Rents payable in advance, 1st May, 1906—Proportion uncollected	169 13 10	2,560 16 5
" " 1st Nov., 1906—Proportion uncollected	1,917 14 3	2,087 8 1
Total assets	...	4,648 4 6
<i>Liabilities.</i>		
Steward's salary, December, 1906	£ s. d.	£ s. d.
Awaiting appropriation in purchase of land	...	45 0 0
	...	278 10 7
Total liabilities	...	323 10 7

JOHN RENNIE, Chairman.

H. H. PITMAN, Secretary.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

OTAGO.

SIR,—

Education Reserves Office, Dunedin, 28th May, 1907.

In accordance with Order in Council of the 15th December, 1878, I have the honour to forward report of the School Commissioners of Otago for year ended 31st December, 1906.

During the year three auction sales were held, when twenty-nine reserves were leased for agricultural purposes, and seventeen town sections.

The area of the agricultural land was 1,994 acres, leased to twenty-nine tenants at £331 19s. 7d. per annum, or an average of 3s. 3½d. per acre. The area of the town sections was 4½ acres, leased to sixteen tenants at £15 10s. 6d. per annum.

The School Commissioners' rent-roll now contains 960 tenants. The total land vested in the School Commissioners of Otago is 390,518 acres, and the present annual rent is £13,854 9s. 10d.

The sum of £36,017 18s. 5d. is invested on mortgage over freehold securities, and the annual interest is £1,683 11s. 4d., or about £4 13s. 5½d. per cent. There is also a sum of £5,500 in the Bank of New Zealand on fixed deposit.

During the year the sum of £4,743 6s. 8d. was received on account of repayment of loans. The sum of £31 18s. 3d. was expended on the purchase of land, which has been added to the area of the endowment.

Of the amount of £3,257 16s. 1d. shown in the statement of receipts and expenditure as rent in arrear on the 31st December (the most of which was for rent due in advance on the 1st November last) the sum of £1,214 19s. 11d. has since been collected.

In explanation of the amounts shown as expenditure in the statement of accounts, I beg to say that £52 12s. 4d. was paid for train fares, £36 for stamps and Government charges, £717 15s. 11d. on permanent improvement of endowments, in the shape of river protection works, roads, roads, drains, and ditches. £31 18s. 3d. was expended on the purchase of land, and £219 19s. was paid to outgoing tenants for valuation on improvements. The last-named sum was collected from incoming tenants, and is included in the item £223 19s. appearing in the receipts.

The Commissioners take this opportunity of bringing under your notice the unsatisfactory conditions existing in connection with mining revenue from endowments, a large area of which has been brought under the provisions of the Mining Act. These lands are subject to all mining privileges, and a number of them are being permanently deteriorated by dredging, sluicing, &c. The Mining Act provides for payment of rents and royalties derived from education endowments to the Receiver of Gold Revenue, who subsequently pays it to the Treasury. It also provides for a refund of said rents and royalties to the body in whom the endowment is vested. Notwithstanding repeated applications for a refund of moneys due, the Commissioners of Otago have received nothing since the 10th October, 1904, although a very considerable amount has since that date been received by the Treasury from the Otago education endowments. The Commissioners are clearly entitled to payment of the revenue from the endowments, which were set apart by the Legislature for the support of primary education, and they respectfully urge that they be put in possession of what is due to them.

Annexed hereto is a copy of the balance-sheet and statement of income and expenditure for the year ended the 31st December, 1906, duly certified to by the Controller and Auditor-General.

I have, &c.,

WM. DALLAS, Chairman.

The Hon. the Minister of Education, Wellington.