Assets.

Balance of Land Fund Balance on 31st December, 1885 Arrears of rents for period prior to 1883 Arrears of rents for 1883 Arrears of rents for 1884 Arrears of rents for 1885 Certificates of exchange of town sections		 £ s. d. 4 6 6 64 7 8 173 1 10 414 0 6 7 2 7	£ s. d. 2 11 3 15 18 7 76 0 6 120 18 0 5 2 5	£ s. d. 309 0 0 15 6 7 6 17 9 80 6 3 249 2 4 534 18 6 12 5 0
Total assets	•••	 •••	•••	1,207 16 5
Written off as bad debts	•••	 4 10 0	55 17 6	60 7 6

Liabilities.—Nil.

T. King, Chairman.

W. NORTHCROFT, Secretary.

Examined and passed.—C. RENNELL, Auditor.

WELLINGTON.

Wellington, 27th January, 1886. Sir.-

In reply to your Circular No. 84, of the 12th December, 1885, I am directed by the School Commissioners for the Wellington Provincial District to report, for the information of the Government, that during the past year the education reserves in this district unlet were again offered for public tender; but, with the exception of eight sections, no tender was received for them. The Commissioners particularly desire me to draw the attention of the Government to their previous reports, but chiefly to those of the 24th February, 1881, 2nd August, 1881, and 20th February, 1885, in which it was requested that authority might be given to the Commissioners, by legislation, to let any of their reserves after they had once been publicly advertised under (or in the terms of) section 14 of "The Education Reserves Act, 1877;" and they again submit for the consideration of the Government that the letting of their reserves would be greatly facilitated if the Commissioners were empowered to let them upon application after the terms of the section referred to have once been complied with.

The Commissioners further desire me to submit that, in order to make their reserves more marketable, they should be vested with authority similar to that conferred upon the Wellington Municipal Council under "The Wellington Corporation Leaseholds Act, 1885." As it is, the Commissioners are unable to provide for any compensation for improvements, or for the preemptive right of renewal of a lease. The want of this places the Commissioners at a disadvantage, and operates unfavourably for the letting of their reserves. Another reason for the non-letting in some cases is the want of roads giving easy access to some of the reserves; but this may be deemed of less importance than the points referred to above, in respect of which the Commissioners suggest early legislation.

In conclusion, the Commissioners wish it to be understood that in proposing the compensation clauses they do not intend that the amount of compensation for improvements should be paid by the lessors, but by the purchaser or successful tenderer; that the improvements should be valued, and dealt with separately, and the amount paid over by the incoming to the outgoing tenant: and the Commissioners again urge the necessity for the favourable consideration by the Government of the matters set forth herein, with the view to obtaining the necessary authority at the next session of I have, &c., J. R. Blair, Chairman.

The Secretary of Education, Wellington.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1885. Receipts.

	Primary Education Reserves.		Secondary Education Reserves.	Total.
To Balances on 1st January, 1885 Arrears of revenue for previous years Rents, &c., of reserves for current year (including	£ 402 163	s. d. 3 3 1 0	£ s. d. 24 2 9 3 19 6	£ s. d. 426 6 0 167 0 6
£1 8s. lodged in error, 1st June, 1885) Exchange on remittance	542	19 1 3 6	28 1 6 	$\begin{array}{cccc} 571 & 0 & 7 \\ 0 & 3 & 6 \end{array}$
Total receipts	1,108	6 10	56 3 9	1,164 10 7