Not	Revenue	Account

	Tree Recen	ac moounn.	
To Balance brought forward Net loss for year*	£ s. d. 1,847 19 3 9,830 19 2	By Balance	£ s. d. 11,678 18 5
	£11,678 18 5		E11,678 18 5
(d.) B.	ALANCE-SHEET AS	s at 31st March, 1921.	
Liabilities.  Capital Account	£ s. d. 624,163 15 10 1,251 1 9 18,516 2 1	Cash at bank— £ s. d. Housing Account 33,997 4 7 Deposit Account 6,049 18 8 Public Account 18 4 8	£ s. d.
Outstanding liabilities for rent, &c Sundry depositors	4,587 3 5 139 16 8 1,459 10 0	Cash in Post Office	40,065 7 11 1,027 1 5
Gravel Account	′ 00 0 0	Loan on mortgage	47 14 11 3,500 0 0
	·	Sundry debtors Sundry purchasers—  Dwellings	608 8 11 419,036 6 5 1.876 6 3 75 15 6 31,651 1 6 25,938 1 11 47,852 9 2
		Control of the second of the s	632 5 11 15 0 9 62,108 14 2 7,300 17 4 2,030 0 0 523 17 4 192 4 10 11,678 18 5
	£656,160 12 8	£€	556,160 12 8

HENRY E. MOSTON,
Deputy Housing Superintendent.
A. Burgess, Accountant.

\* A portion of this amount is chargeable to uncompleted dwellings, land not yet built upon, and other future operations; the balance is largely due to the initial expense incurred in setting-up the Housing Branch.

The accounts have been duly examined and compared with the various relative books, documents, and papers, and found to correspond therewith. The balance-sheet is, however, subject to the following qualifications and comments:—

(a.) There is no authority of law for the creation of a so-called insurance reserve, and, as no investments have been made to meet the obligations entered into with regard to fire-insurance margin, Government is apparently subject to an unwarranted liability.

(b.) The value of stocks of material is declared to represent the cost price.

(c.) The assets and liabilities cannot be certified to until the respective values of the various transfers in land between the Lands Department and the Housing Department have been ascertained—a matter which is now being dealt with.

(d.) Workers' dwelling investments amounting to £52,100 are held by Treasury against interest totalling £60,926 8s. 7d. accrued to 31st December, 1919.

Audit Office, Wellington, 2nd November, 1921.

R. J. Collins, Controller and Auditor-General.

## MEMORANDUM.

In regard to paragraph (a) of the Controller and Auditor-General's comments, it may be explained that as occupants of workers' dwellings usually pay only a small deposit—in most cases £10—the Government might be liable for any loss from fire that might occur over and above the maximum amount of insurance effected with insurance offices, which is about 75 per cent. The Department has therefore, in all cases, charged the occupants with additional insurance for the balance of the risk, and the premiums so received have been paid into the Housing Account and set apart as an Insurance Reserve.

Wellington, 29th November, 1921.

HENRY E. Moston, Deputy Housing Superintendent.

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