ELECTRIC SUPPLY ACCOUNT—*continued.*

WAIKATO ELECTRIC-POWER SUPPLY.—HORAHORA SCHEME—*continued.*

BALANCE-SHEET AT 31ST MARCH, 1926—*continued.*

1924–25.	*Liabilities.*	1925–26.	1924–25.	*Assets.*	1925–26.	1925–26.
£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.
565,267 14 9	Brought forward	.. 785,233 13 6	443,021 18 7	Brought forward	..	645,895 15 7
				Distribution-lines (11,000-volt)—*continued.*		
			..	Bombay-Pukekohe	..	3,076 14 9
			7,406 1 11	Distribution substations (11,000-volt) ..	..	7,353 8 5
			..	Hamilton Area—		
			3,975 11 9	Land at Ruakura	3,976 3 9	
			7,365 7 2	Stores buildings and fittings and railway-siding, Ruakura	7,648 15 1	
			3,511 19 9	Staff residences, Ruakura	4,270 5 11	
			3,256 13 11	Loose tools and equipment	3,217 5 7	
			4,035 6 10	Motor lorries, cars, and cycles	4,434 15 0	
			648 2 2	Office furniture, Hamilton	739 17 1	
			218 19 9	Office accommodation	227 9 6	
			7,266 6 2	Engineering, office, and general expenses on surveys and on construction	7,524 17 2	
			12,400 8 2	Salaries of officers on surveys and on construction	14,036 18 2	
			29,865 16 11	Interest during construction	32,013 11 5	
						78,089 18 8
			72,544 12 7			
			522,972 13 1			
				Arapuni Area—		
			..	Electric lines and distribution	..	675 10 9
						735,091 8 2
			15,964 12 2	General stocks of material on hand	..	10,697 17 0
				Debtors—		
			14,077 1 11	For electricity and sales of material ..	21,838 8 7	
			18 5 11	For payments in advance	9 8 6	
						21,847 17 1
			14,095 7 10			
			12,000 0 0	Sinking Fund Investment	17,390 0 0	
			126 11 6	Interest accrued on Sinking Fund	205 6 2	
			108 10 2	In hands of Treasury	1 5 1	
						17,596 11 3
			12,235 1 8			
£565,267 14 9		£785,233 13 6	£565,267 14 9			£785,233 13 6

I hereby certify that the Balance-sheet and accompanying accounts have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position with the following exceptions:—

(*a*) In the opinion of the Audit Office the provisions of section 10, State Supply of Electrical Energy Act, 1917, have not been observed, inasmuch as the Depreciation Reserve has been used for the general purposes of the undertaking instead of being employed for the establishment of a Depreciation Fund.

(*b*) There is no authority of law for the charging against Net Revenue Account of interest in respect of Depreciation Reserve moneys employed for the general purposes of the undertaking.

NOTE.—With regard to the foregoing exceptions the Finance Act, 1926, now contains provision for the moneys of the Depreciation Reserve to be used for the purposes of the scheme instead of being separately invested.

(*c*) The accounts do not disclose the actual cost of the capital assets as required by the State Supply of Electrical Energy Act, 1917.

(*d*) The Balance-sheet does not disclose the assets representing the full amount of the Sinking Fund.—G. F. C. CAMPBELL, Controller and Auditor-General.