

SESSION II.
1921.
NEW ZEALAND.

HOUSING ACT, 1919.

STATEMENT OF ACCOUNTS FOR YEAR ENDED 31st MARCH 1921.

Presented to both Houses of the General Assembly pursuant to Section 28 (7) of the Housing Act, 1919.

(a.) REVENUE ACCOUNT, 1ST DECEMBER, 1919, TO 31ST MARCH, 1920.

	£	s.	d.		£	s.	d.
To Administration expenses (general)	509	7	11	By Administration charges	181	13	9
Salaries	2,810	7	5	Grazing rent	12	11	6
Commission	77	18	11	Interest receivable	5,356	1	3
Office rent	100	0	0	Insurance concession	57	17	1
Interest payable	4,017	5	7	Miscellaneous receipts	58	17	0
				Balance (carried forward into next year's Revenue Account)	1,847	19	3
	£7,514	19	10		£7,514	19	10

(b.) BALANCE-SHEET AS AT 31ST MARCH, 1920.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Sundry depositors	3,244	18	3	Vacant land	23,518	13	9
Rates Account	55	15	4	Dwellings let or leased	7,666	4	9
Sundry creditors—				Sundry purchasers—			
For rent	100	0	0	Balance of principal	310,549	1	6
For payments on contract	197	10	0	Balance of advances	37	0	4
Lands Department—Rents transferable to land revenue	18	14	0	Balance owing on vacant sections ..	1,872	18	6
Consolidated Fund—Expenditure repayable to Labour Department vote	3,202	11	10	Dwellings in course of erection (including stock of materials and plant) ..	5,338	14	0
Interest accrued on capital	4,297	18	8	Instalments collectable—Arrears outstanding	1,646	16	8
Special maintenance reserve	39	16	3	Rents collectable—Arrears outstanding	52	2	8
Reserve for maintenance of dwellings let or leased	24	1	6	Deposit Account	3,114	19	3
Reserve for depreciation of dwellings let or leased	1,279	5	11	Office furniture	187	16	9
Insurance reserve	919	19	5	Premiums paid in advance	370	6	10
Capital	355,454	9	8	Cash in hands of agents	62	0	11
				Cash at G.P.O.	642	1	7
				Cash at bank (including imprest advance)	11,928	4	1
				Revenue Account (balance carried forward into next year's account)	1,847	19	3
	£368,835	0	10		£368,835	0	10

Examined and found correct.—R. J. COLLINS, Controller and Auditor-General.
29th June, 1921.

(c.) REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1921.

<i>Dr.</i>	£	s.	d.	<i>Cr.</i>	£	s.	d.
To Interest	12,567	19	8	By Interest—			
Salaries	15,360	11	4	From purchasers, &c. 17,730 8 5	17,730	8	5
Office rent	1,077	10	10	From tenants	363	19	1
Administration expenses	2,801	7	11				
Commission	192	9	8	Insurance rebate	90	1	11
Depreciation on furniture	138	14	8	Administration expenses recouped	3,994	12	4
				Grazing	53	10	6
				Miscellaneous receipts	75	2	8
				Net loss for year to Net Revenue Account*	9,830	19	2
	£32,138	14	1		£32,138	14	1

Net Revenue Account.

	£	s.	d.		£	s.	d.
To Balance brought forward ..	1,847	19	3	By Balance	11,678	18	5
Net loss for year*	9,830	19	2				
	<u>£11,678</u>	<u>18</u>	<u>5</u>		<u>£11,678</u>	<u>18</u>	<u>5</u>

(d.) BALANCE-SHEET AS AT 31ST MARCH, 1921.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Capital Account	624,163	15	10	Cash at bank—			
Sundry creditors—				Housing Account ..	33,997	4	7
On open account	1,251	1	9	Deposit Account ..	6,049	18	8
Treasury for interest	18,516	2	1	Public Account ..	18	4	8
Outstanding liabilities for rent, &c. ..	4,192	2	11				
Sundry depositors	4,587	3	5	Cash in Post Office ..			40,065 7 11
Special maintenance reserve	139	16	8	Cash in hand—			
Depreciation reserve	1,459	10	0	Branches	42	13	1
Insurance reserve	1,752	11	3	Imprestees	5	1	10
Gravel Account	98	8	9				47 14 11
				Loan on mortgage			3,500 0 0
				Sundry debtors			608 8 11
				Sundry purchasers—			
				Dwellings	416,839	3	1
				Advances	586	6	10
				Vacant sections ..	1,610	16	6
							419,036 6 5
				Instalments in arrears			1,876 6 3
				Rents in arrears			75 15 6
				Stocks of materials			31,651 1 6
				Works in progress			25,938 1 11
				Uncompleted contracts			47,852 9 2
				Office furniture and fittings ..	187	16	3
				Net purchases during year ..	583	3	10
							771 0 7
				Less depreciation	138	14	8
							632 5 11
				Office bicycles			15 0 9
				Freehold land	62,108	14	2
				Freehold dwellings let or leased ..	7,300	17	4
				Freehold dwellings (purchases incomplete)	2,030	0	0
				Premiums paid in advance			523 17 4
				Repairs and Maintenance Account ..			192 4 10
				Revenue Account — Bal-			
				ance at 31/3/20	1,847	19	3
				Add net loss for year*	9,830	19	2
							11,678 18 5
							<u>£656,160 12 8</u>
							<u>£656,160 12 8</u>

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.

HENRY E. MOSTON,
Deputy Housing Superintendent.

Wellington, 29th November, 1921.

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