



THE  
NEW ZEALAND GAZETTE.

Published by Authority.

---

WELLINGTON, SATURDAY, OCTOBER 12, 1867.

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Colonial Secretary's Office,  
Wellington, 3rd October, 1867.

THE following Report of the Auditor of Public Accounts on the Financial Statement of the Colonial Treasurer for the Year 1865-6, is published in accordance with the terms of "The Audit Act Amendment Act, 1865."

E. W. STAFFORD.

REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS ON THE FINANCIAL STATEMENT  
OF THE COLONIAL TREASURER FOR THE YEAR 1865-6.

THE Revenues collected by the General Government are:—

1. Ordinary Revenues raised under Acts of the General Assembly, subject to the provisions of "The Surplus Revenue Act, 1858."
2. Special Revenues raised under Acts of the General Assembly, and not subject to the provisions of the Surplus Revenue Act.
3. To these are to be added Loans raised under Acts of the General Assembly, and Advances from Banks in anticipation of the negotiation of Loans.

The Ordinary Revenues are defined by "The Ordinary Revenue Act, 1858," and are carried to the credit of Provinces in which they are levied.

The following Abstract of the Receipts and Disbursements, on account of the Ordinary Revenue, is given in explanation of the Colonial Treasurer's Statement.

## II.—ORDINARY REVENUE ACCOUNT FOR THE

<b>RECEIPTS.</b>		£	s.	d.
General Receipts not credited to Provinces, but shewn on the opposite side of this Statement, in reduction of the General Expenditure, thereby relieving the Provinces of expenses by a corresponding sum ...		7,076	13	0
General Revenues levied within Provinces, and credited as the Ordinary Revenues of each Province respectively, according to the third clause of "The Surplus Revenues Act, 1858," as follows:—				
Auckland	... ..	185,687	12	7
Taranaki	... ..	18,540	15	8
Wellington	... ..	96,845	15	0
Hawke's Bay	... ..	26,625	3	11
Nelson	... ..	56,976	15	1
Marlborough	... ..	8,024	6	10
Canterbury	... ..	250,247	2	9
Otago	... ..	217,799	11	8
Southland	... ..	35,536	4	3
		<b>2903,360</b>	<b>0</b>	<b>9</b>

FINANCIAL YEAR 1865-6.—(See pages 76 and 77.)\*

		£	s.	d.	£	s.	d.
<b>DISBURSEMENTS.</b>							
<b>I.—General Charges.</b>							
Civil List	...	27,500	0	0			
Interest and Sinking Funds	...	174,895	16	5			
Permanent Charges under Acts of General Assembly	...	11,555	12	3			
Executive	...	6,980	0	0			
Legislative	...	14,050	0	0			
Judicial	...	1,400	0	0			
Registration of Land	...	750	0	0			
Do. Deeds, Births, &c.	...	1,150	0	0			
Customs	...	1,290	0	0			
Postal	...	99,500	0	0			
Internal Defence	...	25,000	0	0			
Native Department	...	33,000	0	0			
Printing Establishment	...	4,688	0	0			
Geological Department	...	3,000	0	0			
Miscellaneous Services	...	10,000	0	0			
Refunds of Revenue	...	532	6	1			
Savings on Votes for District Registrars of Land and District Courts, carried to Revenues of 1866-7	...	2,485	3	11			
		417,776	18	8			
<p>The above sum of £417,776 18s. 8d. is debited against Provinces in proportion to the amount of Revenue levied in each Province, as required by "The Surplus Revenues Act, 1858," less the sum of £7,076 13s. as a set off against the "General Receipts" shewn on the opposite side, viz. :—</p>							
Set off against General Receipts	...	7,076	13	0			
Auckland	...	85,086	17	8			
Taranaki	...	8,495	17	8			
Wellington	...	44,377	4	9			
Hawke's Bay	...	12,200	7	2			
Nelson	...	26,108	4	7			
Marlborough	...	3,676	18	11			
Canterbury	...	114,669	14	5			
Otago	...	99,801	8	5			
Southland	...	16,283	12	1			
		417,776	18	8			
<b>II.—Provincial Charges.</b>							
<p>For maintenance of Departments within each Province, debited wholly against the Province in which the expense was incurred, viz. :—</p>							
Auckland	...	35,997	11	3			
Taranaki	...	3,749	17	1			
Wellington	...	15,957	2	3			
Hawke's Bay	...	5,638	9	6			
Nelson	...	8,502	17	3			
Marlborough	...	6,832	18	10			
Canterbury	...	36,455	6	11			
Otago	...	54,592	2	4			
Southland	...	10,247	12	11			
		177,973	18	4			
<b>III.—Supplementary Expenditure.</b>							
<p>The unauthorized expenditure of years 1863, 1864, and 1865, charged against the Revenues of 1865-6 under the authority of Appropriation Act 1865-6 :—</p>							
Province of Auckland	...	36,505	2	0			
Taranaki	...	3,643	12	10			
Wellington	...	11,820	8	5			
Hawke's Bay	...	3,252	18	6			
Nelson	...	6,814	17	8			
Marlborough	...	4,138	3	0			
Canterbury	...	26,143	0	8			
Otago	...	63,717	0	3			
Southland	...	11,499	3	9			
		167,534	7	1			
<b>IV.—Surplus Revenues.</b>							
To credit of Provinces, viz. :—	Auckland	28,098	1	8			
	Taranaki	2,651	8	1			
	Wellington	24,690	19	7			
	Hawke's Bay	5,533	8	9			
	Nelson	15,550	15	7			
	Canterbury	72,979	0	9			
		149,503	14	5			
Deduct to debit of Marlborough	...	6,623	13	11			
" Otago	...	310	19	4			
" Southland	...	2,494	4	6			
		9,428	17	9			
		140,074	16	8			
		£903,360	0	9			

\*This and the following similar references are to the pages of the Finance Accounts of the Colonial Treasurer for 1865-6.

It will be seen from the above Abstract that the Ordinary Revenue of the year 1865-6 amounts to £903,360 Os. 9d.; that the Expenditure charged against the Receipts is as follows:—

	£	s.	d.
I. —General Charges ... ..	417,776	18	8
II. —Provincial do. ... ..	177,973	18	4
III.—Unauthorized Expenditure of former years ... ..	167,534	7	1
Total Expenditure ... ..	£763,285	4	1

And that the sum of £140,074 16s. 8d. remains as Surplus Revenues.

The Unauthorized or Supplementary Expenditure belongs to the following years:—

	£	s.	d.
1862-3 ... ..	5,287	1	2
1863-4 ... ..	36,090	5	7
1864-5 ... ..	126,157	0	4
Total ... ..	£167,534	7	1

In reference to the Surplus Revenues, amounting to £140,074 16s. 8d., (see page 57), they would, under the rule formerly in force under the Constitution Act, have been distributed among the Provinces in proportion to the amount of Ordinary Revenues collected in each, so that every Province would have received a share; but, under the law as it now stands, the three Provinces, Marlborough, Otago, and Southland, are entitled to no portion of the Surplus Revenues of the financial year 1865-6, while the other Provinces have their share of the Surplus Revenues increased by a fictitious sum of £9,428 17s. 9d. (see page 57); and this excess has to be made good out of the future Revenues of those Provinces which are entitled to no portion of the Surplus Revenues of the financial year under consideration.

	£	s.	d.
Thus, the Province of Marlborough is debited ... ..	6,623	13	11
Do. Otago do. ... ..	310	19	4
Do. Southland do. ... ..	2,494	4	6
Making altogether ... ..	£9,428	17	9

It is further to be observed, that the General Assembly has provided no funds out of the Revenues of the year 1865-6 from which this excess can be at once distributed among the Provinces of Auckland, Taranaki, Wellington, Hawke's Bay, Nelson, and Canterbury.

Unless further provision be made, payments should be deferred until the Provinces of Southland and Marlborough have sufficient Surplus Revenues to meet their liabilities on this account.

Attention is called to these financial arrangements, as the over-payments on the 30th June, 1866, had increased to £56,858 15s. 10d. At page 81, "Surplus Revenue Account," it is shewn, that of this sum Marlborough is indebted £7,403 8s. 5d., Otago £40,270 15s. 1d., and Southland £8,489 4s. 6d. The charge against the last Province is exclusive of the debt of £43,007 9s. 9d. due to the Colonial Chest for advances in aid of the Provincial Revenues. (See Separate Account, page 82.)

The foregoing remarks take in review the whole of the Ordinary Revenue and Expenditure of the Colony, as regulated by the Surplus Revenue Act. It is necessary however to observe, that in addition to the Unauthorized Expenditure of former years, shewn in the foregoing Revenue Account, a further sum of £61,019 Os. 9d. (a) was expended without the authority of law during the financial year 1865-6, now under consideration.

This Unauthorized or Supplementary Expenditure the Colonial Treasurer does not shew as a charge against the Ordinary Revenues, but holds it in suspense (b) until the General Assembly shall have granted a vote to cover it.

Turning now to the Expenditure under the different heads of service, the following observations are given in explanation:

1. *Civil List*, (page 3).—In former years the savings on the Civil List were carried to the credit of the Ordinary Revenue Account; in the present year a different course is adopted. The balance (£1,772 18s. 6d.) is transferred to a Deposit Account called the Civil List Fund Account, (pages 68 and 89), to meet outstanding liabilities of the Civil List. This arrangement seems correct, as the grant is payable to Her Majesty, and is accounted for to the Lords Commissioners of the Treasury.

*Native Purposes*.—The Expenditure under this head is, altogether, £34,631 16s. 4d., (page 21), of which sum £6,123 13s. 2d. is charged against the Civil List, (page 3).

*Permanent Charges*.—*Half Million Loan*, 1856, (page 5).—"The New Zealand Loan Act, 1856," divides the Loan into three parts. The first division (£200,000) is charged on the Revenues of the Middle Island. The second division is charged against the General Revenues of the Colony. The third division is charged against the Provinces of the Northern Island, with the exception of £36,000 allocated to the Province of Taranaki for the purchase of Native lands, at present charged against the General Revenues. Of this last sum, (£36,000), only £4,117 13s. 10d. has been applied to the extinguishment of Native Titles to land in the Province of Taranaki; the remainder is being used as part of the working balance of the Treasury.

The total charge for Interest and Sinking Fund on the Half Million Loan is £30,000. Of this sum, £9,360 becomes a charge on the General Revenues; the remainder, (£20,640, page 5), is a charge on the Provinces, and is usually paid out of the respective Land Funds.

(a.) See pages 57 to 61 "Supplementary Expenditure Account."

(b.) See Debtor Balances, page 93, "Supplementary Expenditure Account."

The Colonial Treasurer's Statement does not show clearly how the payments for Interest and Sinking Fund are adjusted. On reference to page 90 there is found among the Disbursements out of the Receipts arising from the disposal of Crown Lands, the following payments to the Colonial Treasurer, on account of Interest and Sinking Fund on the Loan of £500,000:—

	£	s.	d.
At Auckland ... ..	3,377	4	1
Nelson ... ..	2,475	0	0
Canterbury ... ..	4,440	0	0
Otago... ..	3,780	0	0
Southland ... ..	1,080	0	0

Comparing these payments with the sums stated at page 5, under the head "Reimbursed by Provinces," it will be seen that they are deficient in the following amounts, namely:—

	£	s.	d.
Auckland... ..	2,022	15	11
Wellington ... ..	1,620	0	0
Hawke's Bay ... ..	1,620	0	0
Nelson and Marlborough ... ..	225	0	0

The deficiency on account of Nelson and Marlborough was paid into the Colonial Treasury on the 7th July, 1866, and will appear as a payment in the Land Revenue Accounts of the Province of Nelson for the year 1866-7: but, in respect of the deficiencies of the other Provinces, the amounts have not been "reimbursed." They have been charged against the respective Provinces in the "Advance" Accounts, (page 82). (a) Repayment ought, however, to have been made at the time, or, seeing that the Interest and Sinking Fund on the Half Million Loan are a first charge on the Ordinary Revenues of the Colony, the deficient amounts should have been deducted from the Surplus Revenues payable to the respective Provinces, instead of the recovery of the debt being deferred for an uncertain period by the course adopted.

*New Zealand Loan Act, 1863.—Interest on £800, at 5 per cent., to 15th January, 1865, (page 5).—£20.*  
This sum of £20 is a charge on the Revenues of the financial year 1864-5.

*Interest on £1,000,000, at 5 per cent., from 15th January, 1865, to 30th June, 1866—£73,076 6s.*  
The sum of £73,076 6s. is partly made up as follows:—

	£	s.	d.
Interest on £999,600, to 15th July, 1865 ... ..	24,980	0	0
Do. on £1,000,000, to 15th January, 1866 ... ..	25,000	0	0
Do. on do. to 15th July, 1866 ... ..	25,000	0	0
	74,980	0	0
Less proportion of Interest on last-mentioned payment, chargeable to year 1866-7, say 15 days at 5 per cent. ...	1,923	14	0
	<u>£73,056</u>	<u>6</u>	<u>0</u>

On this the Auditor observes that the Interest for fifteen days computes to £2,054 15s. 10d., instead of to £1,923 14s. (b); that the above sum of £24,980, instead of being charged against the Revenues of the year 1865-6, should have been treated as a liability of the year 1864-5, and should be £22,945 4s. 2d.,—(that is to say £25,000, less fifteen days' Interest belonging to the subsequent year, and amounting to £2,054 15s. 10d.) The items would then stand as follows:—

	£	s.	d.
Chargeable on Revenues of 1864-5 ... ..	22,945	4	2
Do. do. 1865-6 ... ..	50,000	0	0
	<u>£72,945</u>	<u>4</u>	<u>2</u>

*Sinking Fund on £1,000,000, at 1 per cent., from 15th January, 1865, to 15th January, 1866, (page 5)—£10,000.*

This includes a half-year (less fifteen days) of the financial year 1864-5. The account should, therefore, stand as follows:—

	£	s.	d.
<i>Sinking Fund on £1,000,000, at 1 per cent., from 15th January, 1865, to 30th June, 1865 ... ..</i>	4,589	0	11
<i>Do. do. 1st July, 1865, to 15th January, 1866 ...</i>	5,410	19	1

There would then remain a sum of £4,589 0s. 11d. omitted on account of the period included between the 15th January and 30th June, 1866, making, together with the sum already charged, £10,000 for Sinking Fund.

(a.) The particulars of the "Advance Accounts" are not stated.  
(b.) Difference £131 1s. 10d.

*Interest on Debentures at 8 per cent., half-year ending 30th June, 1865, (page 5)—£14,214 2s. 9d.*  
This sum is a liability of the financial year 1864-5, and should have been treated as such in the present account, when determining the Surplus Revenues payable to Provinces.

Collecting together these overcharges on the Revenues of 1865-6, they are found to amount to £41,768 7s. 10d. (a).

So large a sum transferred from the liabilities of the year 1864-5 to those of the subsequent year, makes an important difference in the proportionate amounts of Surplus Revenues payable to Provinces.

The "Undercharges" on the year 1864-5 and "Overcharges" on the year 1865-6 are shewn in the following statement:—

	UNDERCHARGED 1864-5.		OVERCHARGED 1865-6.		DR.		CR.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Province of Auckland ... ..	11,447	18 9	8,653	7 8	2,794	11 1	...	...
"  Taranaki ... ..	993	15 9	864	1 0	129	14 9	...	...
"  Wellington ... ..	3,782	8 10	4,513	3 8	...	...	730	14 10
"  Hawke's Bay ... ..	1,114	14 11	1,240	15 9	...	...	126	0 10
"  Nelson ... ..	2,033	16 3	2,655	4 5	...	...	621	8 2
"  Marlborough ... ..	584	8 7	373	14 11	210	13 8	...	...
"  Canterbury ... ..	6,457	9 10	11,662	1 4	...	...	5,204	11 6
"  Otago ... ..	13,150	19 7	10,149	16 5	3,001	3 2	...	...
"  Southland ... ..	2,202	15 4	1,656	2 8	546	12 8	...	...
	41,768	7 10	41,768	7 10	6,682	15 4	6,682	15 4

If this be admitted, then the Surplus Revenues of the Province of Auckland, Taranaki, Marlborough, Otago, and Southland must be diminished by the sums shewn above in the "Dr." column, and the Surplus Revenues of the other Provinces increased by the respective sums shewn in the "Cr." column.

The foregoing adjustments are made without reference to the question whether the sums charged for Interest include the total liabilities of the Colony on that account for the two years 1864-5 and 1865-6.

The Auditor has gone carefully into the Treasurer's Accounts for the purpose of determining the amount of Interest accrued on Debentures issued under the Debenture Acts 1864 and 1865, from the date of issue to the 30th June, 1866. The results of his investigations differ widely from the Treasurer's Statement. This difference arises, no doubt, from the unusual mode of issuing the Debentures under the Act. Neither the Treasury nor the Audit Department was duly informed in every case of the amounts issued by the Agents appointed under the Acts, and for a time there was much uncertainty as to the amount of Interest accrued during the financial period under consideration. The results of the Auditor's examination are stated below. (b)

It is necessary to add, that the discrepancy between the two statements does not affect the actual payments to the Bondholders, and interferes only with the adjustment of the Surplus Revenues between the Provinces.

"Waste Lands Act, 1858," (page 9.)—The salaries paid under this Act have not been voted by the General Assembly. The Act provides that they should be defrayed out of the Crown Grant fees, but it does not withdraw from the General Assembly the power to regulate the expenditure on this service.

*Executive:* £35 16s. 11d., (being savings on the Vote.)—By the Comptroller's Act, all savings on votes in any financial year are carried to the credit of the Provinces in which the savings are effected. They are accordingly held in suspense under the head "Savings on Votes," (c) (page 72).

It will be seen that this new provision, by charging the Revenues with the whole of the votes, instead of the sums expended, is a returning to the provisions of the Constitution Act, which gives to the General Government the Revenues specially appropriated by the General Assembly, and divides the remainder among the several Provinces.

(a) £20; £22,945 4s. 2d.; £4,589 0s. 11d.; £14,214 2s. 9d.

(b) The original report mislaid, and no copy retained in the Audit Office of the Statement alluded to.

(c) Savings on Votes, £33,415 8s. 8d.

## II.—SPECIAL REVENUES not subject to the provisions of the SURPLUS REVENUE ACT.

RECEIPTS.		£	s.	d.	DISBURSEMENTS.		£	s.	d.
Balance on 30th June, 1865	...	...	...	...	On Bay of Islands Settlement...	...	343	19	4†
Gold Duty collected in Provinces	...	92,379	13	3*	Gold Fields, Auckland	...	162	10	0†
Fees—Native Circuit Courts	...	101	15	2*	Gold Duty paid to Provinces	...	92,745	2	1†
Revenues arising from the disposal of Lands under the New Zealand Settlements Act	...	7,737	12	1*	Native Circuit Courts	...	300	10	2†
Land Revenue collected in the several Provinces (page 90)	...	603,794	3	4	New Zealand Settlements Act	...	282	15	11†
					Disbursements out of Crown Lands Revenue, viz. :—				
					Interest and Sinking Fund on Half Million Loan, 1856	...	15,152	4	1†
					Southland Provincial Debts	...	144,254	14	11†
					Salaries of Receivers of Land Revenue	...	835	8	4†
					Land Fund Receipts paid to Provincial Treasurers	...	434,970	9	11†
Balance on 30th June, 1866, to the Debit of the following Accounts :—					Balance on 30th June, 1866, to the Credit of the following Accounts :—				
Auckland Reserves	...	2,101	3	0	Bank of Issue	...	467	12	0
Bay of Island Settlement	...	7,387	14	10	Gold Duties	...	1,771	14	4
Gold Fields, Auckland	...	701	19	4	Native Circuit Courts	...	287	14	0
					New Zealand Settlements Act	...	34,990	12	7
					Land Revenue in hands of Receivers	...	13,389	14	3
							50,857	7	2
							£789,905	1	11
							98,834	17	6
							595,212	17	3

\* See page 66. † See page 67. ‡ See page 90.

*New Zealand Settlements Act.*—The balance of the moneys arising from the disposal of lands under the provisions of the New Zealand Settlements Act amounting, as shewn above to £34,990 12s. 7d., is, by the provisions of "The New Zealand Settlements Amendment Act, 1865," to be applied in such manner as the General Assembly shall from time to time direct. It may be advisable that the Governor should recommend to the House of Representatives the appropriation of this balance to a specific public service, instead of its remaining in reserve in the Colonial Chest.

*Gold Fields, Province of Auckland.*—The over-issue, after crediting the Auckland Gold Fields with the Gold Duty Receipts, is £701 19s. 4d. (a). The arrangement by which the management of the Gold Fields in the Province of Auckland was transferred to the Provincial authorities, came into operation on the 1st January, 1865, since which date the Revenues arising from the Gold Fields and from the duty on gold have been paid into the Provincial Chest, on the understanding that the Province undertook all liabilities, and was to receive all Revenues that accrued after the 31st December, 1864. On this understanding the Province claimed and was allowed a refund of the sum paid to the Natives out of the Provincial Treasury for rent of the Gold Fields, due prior to the 31st December, 1864.

In respect of the over-issue of £701 19s. 4d., it is recommended that provision be made to charge this sum either on the Province of Auckland or on the General Revenues of the Colony.

*Bay of Islands Settlement.*—The sums over-paid on this settlement amount to £7,387 10s. 10d. On the 18th August, 1865, a Committee of the House of Representatives recommended that £3,131 8s. 6d. of this liability should be defrayed by the General Government, and the remainder by the Province, on certain conditions. The Report was not adopted by the House. As the matter now stands, the sum of £7,387 10s. 10d. is an over-issue out of the working balance of the Colonial Treasury.

*Bank of Issue.*—The balance to the credit of this Bank is correctly stated, but the Notes outstanding amount to £757. The difference between the balance and the Notes outstanding represents the loss incurred on the sale of the investment in the 3 per cent. consols. The sale was made at a very unfavorable time.

*Auckland Reserves: Over-issue £2,101 3s.*—The over-issue was made on the new Court House in Auckland. It is a charge on the purchase money of Allotments Nos. 1, 2, 3, 4, Section 15, of the City of Auckland. Under the provisions of "The Auckland Reserves Act, 1858," the proceeds of the sale of those allotments were to be applied towards the erection of a Court of Justice. The allotments, instead of being sold at auction, as required by the Act, were transferred to the Province for £25,000, and the money was handed over to a Public Buildings Commission, instead of being paid into the Colonial Treasury, subject to the above charge of £2,101 3s. The Auditor objected to these proceedings at the time. The question now to be considered is,—Out of what funds the over-issue of £2,101 3s. is to be made good?

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(a.) See Balance Sheet, page 93.—Dr. Balance, £2,107 18s. 11d.—Cr. Balance, £1,405 19s. 7d. = £701 19s. 4d.



III.—LOAN ACCOUNTS.

RECEIPTS.		DISBURSEMENTS.	
<b>Half Million Loan, 1856—</b>		<b>Half Million Loan, 1856,—</b>	
Balance unexpended, 30th June, 1865	£ 37,086 4 3	Extinguishment of Native Title to Land, viz. :—	£ 2,565 10 6
Overcharge of former years Debited to the Province of Hawke's Bay (page 64)	43 14 0	In Province of Auckland	100 0 0
		Ditto Taranaki	1,000 0 0
		Ditto Wellington	...
	£37,079 18 3	Balance in charge of Colonial Treasurer on 30th June, 1866	3,665 10 6
			38,414 7 9
			£37,079 18 3
<b>Loan of £150,000, 1860,—</b>		<b>Loan of £150,000, 1860,—</b>	
Balance unexpended 30th June, 1865	£1,575 3 11	Balance on 30th June, 1866	1,575 3 11
<b>War Loan of Three Millions,—</b>		<b>War Loan of Three Millions,—</b>	
Issue of Bonds and Advances in Aid up to the 30th June, 1865, viz.,—		Payments on War Purposes up to 30th June, 1865	1,863,432 14 3
Debtentures Issued	1,288,328 16 4	Expenses defrayed since 30th June, 1865, viz.,—	
Treasury Bills	100,000 0 0	Suppression of Rebellion	267,424 6 3
Bank Advances	428,998 6 8	Introduction of Settlers, Surveys, &c.	89,895 13 7
Debtentures issued since 30th June, 1866, viz.,—		Lighthouses	1,776 12 11
1863 Debtentures	817,345 0 0	Telegraphs	21,961 3 1
1864 ditto	616,536 15 0	Remstatement of Taranaki	10,408 10 1
1865 ditto	28,131 4 11	Government Domain	7,236 17 1
Deduct Debtentures cancelled	1,462,012 19 11	Charges and Discount on Debtentures	49,646 15 4
Draft on Crown Agent	169,559 0 4	Treasury Bills redeemed	448,348 18 4
	1,292,453 19 7	Bank Advances repaid	100,000 0 0
	80,000 0 0	Balance on 30th June, 1866	402,636 11 4
	£3,190,281 2 7		375,862 18 8
			£3,190,281 2 7
<b>Treasury Bills (Appropriation Act, 1863),—</b>		<b>Treasury Bills (Appropriation Act, 1863),—</b>	
Bills in circulation on 30th June, 1865	23,100 0 0	Bills redeemed	11,325 0 0
		Balance 30th June, 1866	11,775 0 0
	£23,100 0 0		£23,100 0 0

IV.—RESERVE FUNDS.

	£	s.	d.		£	s.	d.
Balance of Votes in hands of the Colonial Treasurer on 30th June, 1865	...	...	...	Reserves of former years paid off during the year 1865-6	...	...	...
Sums reserved out of Votes of the financial year 1865-6	...	...	...	Balance in charge of Colonial Treasurer on 30th June, 1866	...	...	...
	48,325	1	7		14,089	15	10
	910	18	0		35,196	3	9
	£49,235	19	7		£49,235	19	7

V.—SURPLUS REVENUE ACCOUNT.

	£	s.	d.		£	s.	d.
Balance in charge of Colonial Treasurer on 30th June, 1865	...	...	...	Paid to Provinces	...	...	...
Amount transferred from Ordinary Revenue Account on account of the year 1865-6	...	...	...	Balances on 30th June, 1866, due to Provinces, viz. :—			
Balances on 30th June, 1866, being over-payments to Provinces, viz. :—				Due to Auckland	8,398	16	11
Over-paid to Taranaki	677	13	0	Do. Wellington	4,806	9	4
Do. Hawke's Bay	17	14	10	Do. Nelson	2,280	9	11
Do. Marlborough	7,408	8	5	Do. Canterbury	4,835	5	1
Do. Otago	40,270	15	1		20,821	1	8
Do. Southland	8,489	4	6				
					56,858	15	10
	112,378	11	3		£318,741	1	6
	149,503	14	5		298,420	0	3
	£318,741	1	6		£318,741	1	6

The remaining Accounts are, the "Advance Account," page 69, "Miscellaneous Deposits," page 69, and "Suspense Account," pages 72 and 73.

These seem sufficiently clear as stated by the Colonial Treasurer.

The *Permanent Debts* of the Colony may be stated as follows:—

	£	s.	d.
Old Debentures ... ..	316	0	0
Half Million Loan ... ..	500,000	0	0
Loan of 1860 ... ..	150,000	0	0
Three Million Loan ... ..	2,581,282	15	11
	<u>£3,231,598</u>	<u>15</u>	<u>11</u>

Apportioned as follows:—

	£	s.	d.	£	s.	d.
Auckland,—On account of Extinguishment of Native Titles under Loan Act, 1856 ... ..	90,000	0	0			
Expenses under War Loan... ..	186,707	16	8			
				276,707	16	8
Wellington,—Extinguishment of Native Titles to Land	27,000	0	0			
Expenses under War Loan ... ..	14,841	8	10			
				41,841	8	10
Taranaki,— Do. do. ... ..				39,979	11	3
Hawke's Bay,— Do. do. ... ..	2,727	16	11			
Extinguishment of Native Titles to Land	27,000	0	0			
				29,727	16	11
Nelson,—Apportioned under the Public Debt Apportionment Acts ... ..				45,000	0	0
Canterbury,— Do. do. ... ..				74,000	0	0
Otago,— Do. do. ... ..				63,000	0	0
Southland,— Do. do. ... ..				18,000	0	0
Colony,— Do. do. ... ..				2,643,342	2	3
				<u>£3,231,598</u>	<u>15</u>	<u>11</u>

An analysis of the Treasury Balance Sheet, (page 93), shews that there has been issued on account of—

	£	s.	d.
Unauthorized Expenditure ... ..	61,140	9	10
Surplus Revenues in excess of sums due to Provinces ... ..	36,537	14	7
Advances to Sub-Accountants and others principally on account of War Purposes... ..	382,413	9	10
And that the Cash Balance in hand on the 30th June, 1866, was ... ..	50,842	11	7
	<u>£530,934</u>	<u>5</u>	<u>10</u>

And that the funds out of which these issues were made are as follows:—

	£	s.	d.
Proceeds of Treasury Bills ... ..	11,775	0	0
Balance of Special Revenues ... ..	40,666	10	0
Do. of Half Million Loan ... ..	33,414	7	9
Do. of £150,000 Loan ... ..	1,575	3	11
Do. of £3,000,000 Loan, viz.:—			
Proceeds of Debentures ... ..	£269,501	3	4
Bank Advances ... ..	26,361	15	4
*Do. of Reserve Fund ... ..	295,862	18	8
*Do. of Deposits ... ..	35,196	3	9
Moneys held in Suspense ... ..	30,110	8	0
	82,333	13	9
	<u>£530,934</u>	<u>5</u>	<u>10</u>

The above is in fact the Cash Balance Sheet of the Colonial Treasury.

In conclusion the Auditor would state, that although in the foregoing statements he has taken pains to explain the Account of the Colony, his experience leads him to doubt whether, after all his care, he will be found to have succeeded in making clear what is a somewhat complicated partnership Account.

26th March, 1867.

CHARLES KNIGHT,  
Auditor.

\* There were no sums in the Treasury on the 1st July, 1865, to the credit of the Reserve or Deposit Funds, except a sum to the credit of the Intestate Estates Fund, which on the 16th of October, 1865, amounted to £10,267 10s. 11d. (See Appendix to Journals of House of Representatives, Session 1866, B.—No. 6a., and B.—No. 6c.) These funds had been absorbed in General Expenditure prior to 1st July, 1866, so that no issues from these funds were made on account of the service of the year ended 30th June, 1866; on the other side, "the Advances" shown by the Auditor-General, had been made to a great extent in previous years.—J. W.

