



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
VILLAGE COUNCIL OF TSES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014 AND 2015**

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Village Council of Tses for the financial years ended 30 June 2014 and 2015, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, April 2017

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE VILLAGE COUNCIL OF TSES
FOR THE FINANCIAL YEARS ENDED
30 JUNE 2014 AND 2015**

1. Report on the Financial Statements

1. INTRODUCTION

The accounts of the Village Council of Tses for the financial years ended 30 June 2014 and 2015 are being reported on in accordance with the provisions set out in Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992).

Figures in the report are rounded off to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Tses Village Council for the financial years ended 30 June 2014 and 2015. These financial statements comprise the following:

- Annexure A: Balance sheet;
- Annexure B: Abridged income statement;
- Annexure C: Cash flow statement; and
- Annexure D: Notes to the financial statements.

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 87(1) of the Local Authorities Act, 1992.

The financial statements, notes to the financial statements provided by the Accounting Officer are attached as Annexure A-D.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 86 of the Local Authorities Act, and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonable of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is insufficient and inappropriate to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Tses Village Council during the audit is appreciated.

5. KEY AUDIT FINDINGS

5.1 Trade and other payables

Overstatement of Namwater debt amounting to N\$ 57 853 and N\$ 7 171 058 for the financial years ended 2014 and 2015 respectively, and for Nampower N\$ 284 877 for the financial year ended 2015.

Furthermore, it was noted that leave pay provision was overstated by N\$ 114 375 for the financial year ended 2014. The Council could not provide the criteria used to calculate the balance of provision for leave pay amounting to N\$ 263 448 as disclosed in the financial statements for the financial year ended 2015.

5.2 Consumer Deposits

A material difference of N\$ 62 927 was found on consumer deposits.

5.3 Fixed Assets

A difference of N\$ 2 173 864 was found between the financial statements and the fixed asset register for the financial year ended 2014. The Council could not provide an updated fixed asset register for the years under review.

5.4 Build Together Loan Account

The Council did not provide loan amortization cost schedule of build together loan holders. This resulted in inability to confirm balances to the value of N\$ 1 715 699 and N\$ 1 666 964 for the financial years ended 2014 and 2015 respectively.

5.5 Bank reconciliation

For the financial year ended 2014, the Council did not perform bank reconciliations on a monthly basis, except at year end, thus stale cheques amounting to N\$ 200 613 were not reversed back in the cash book.

5.6 Payroll

Differences amounting to N\$ 149 249 for the year (2014) and N\$ 432 172 for the year (2015) were observed between final earning reports and financial statements.

5.7 Expenditure

The Nampower electricity purchases reconciliation revealed a material difference of N\$ 176 763, and Namwater water purchases amounting to N\$ 437 748 for financial year ended 2014. In addition, supporting documents amounting to N\$ 212 500 for bulk water purchases were not provided for the financial year ended 2015.

5.8 Property, Plant and Equipment

Payment vouchers for additions on fixed assets amounting to N\$ 113 713 for the financial year ended 2014 were not provided. Furthermore, the auditors could not confirm the accuracy and completeness of payments for water reticulation to the value of N\$ 1 083 953 as Tender documents were not provided for audit purposes for the financial year ended 2015.

5.9 Revenue

The Council did not submit Road Fund Administration confirmation letters to substantiate revenue to the value of N\$ 323 888 and N\$ 332 000 disclosed in the 2014 and 2015 financial statements.

No supporting document of N\$ 150 000 were provided by the Council for the yearly contribution from the government.

5.10 Sale of Ervens

No supporting documents were provided for sale of ervens to the value of N\$ 139 680 for 2015 financial year.

5.11 Water sales

The auditors could not confirm the completeness and accuracy of water sales to the value of N\$ 125 906 as tariffs used for billing were not in line with the updated tariffs for the financial year ended 2015.

5.12 Prepaid electricity

The auditors noted a difference of N\$ 183 975 between the Electricity Banking Report (N\$ 503 094) and Management report (N\$ 319 119) for the financial year 2015.

5.13 Private electricity

The auditors noted that incorrect tariffs were used for billing customers. Electricity Control Board (ECB's) approved basic charges could not be submitted for audit purposes.

5.14 Debtor's Age analysis

The auditors noted that the Council included debtors with credit balances in the debtors' age analysis. Furthermore, the Council's provision for doubtful debts remained constant since prior years.

5.15 Value Added Tax

The auditors noted that Value Added Tax reconciliations prepared by the Council were incorrect which resulted in differences of N\$ 83 290(2014) and N\$ 295 996(2015).

5.16 Motor Vehicles

The reconciliation of the number of motor vehicles, distance travelled and fuel consumed for the years under review could not be availed by the Council for audit purposes.

5.17 Inventories

The Council has expensed the stock of materials. The only stock held is that of livestock, the auditors could not verify stock. No inventory on store material was disclosed in the annual financial statement for 2014.

6. BASIS FOR DISCLAIMED AUDIT OPINION

- Unexplained differences in the balances of trade and other payables;
- Material understatement of consumer deposits;
- Differences observed between the financial statements and fixed assets register;
- Outdated fixed assets register;
- No supporting documents for build together debtors;
- Non-reversal of stale cheques;
- Differences observed on payroll;
- None submission of supporting documents for income and expenditures;
- Incorrect tariffs used for water sales;
- Differences between the Electricity Banking Reports and Management Reports;
- Inclusion of debtors with credit balances in the debtors' age analysis;
- Material overstatement on value added tax;
- None submission of documents-motor vehicles.

7. DISCLAIMED AUDIT OPINION

The accounts of the Tses Village Council for the financial years ended 30 June 2014 and 2015 summarised in Annexures A to D were audited in terms of Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992) read with Section 25(1) (b) of the State Finance Act, 1991 (Act 31 of 1991).

Because of the significance of the matters described in the Basis for Disclaimed of Audit Opinion paragraph, **I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.** Accordingly, I do not express an opinion on the financial statements.

WINDHOEK, April 2017



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

8. FINANCIAL RESULTS

The results of the various operations and transactions on the Revenue Account for the years are as follow:

	Revenue	Expenditure	Surplus/(Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus/(deficit) 01/07/2014				(2 389 343)
General accounts				
Non-profitable services	3 931 068	3 922 714	8 354	
Self-supporting services	464 847	1 558 231	(1 093 384)	
Trade accounts				
Water	1 289 030	2 212 230	(923 200)	
Electricity	1 658 767	1 517 929	140 838	
	7 343 712	9 211 104	(1 867 392)	
Deficit for the year				(1 867 392)
Adjustments and appropriations (Note 9, Annexure D)				3 223 937
Accumulated Deficit 30/06/2015				(1 032 798)

	Revenue	Expenditure	Surplus/(Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus/(deficit) 01/07/2013				278 791
General accounts				
Non-profitable services	776 494	(2 087 528)	(1 311 034)	
Self-supporting services	321 501	(1 125 923)	(804 422)	
Trade accounts				
Water	826 313	(923 085)	(96 772)	
Electricity	875 854	(864 072)	11 781	
	2 800 162	(5 000 608)	(2 200 446)	
Deficit for the year				(2 200 446)
Adjustments and appropriations (Note 9, Annexure D)				(467 688)
Accumulated Deficit 30/06/2014				(2 389 343)

9. CURRENT BANK ACCOUNT

The unfavourable bank statement balances on the current bank accounts amounted to (2015: N\$ 729 148), (2014: N\$ 176 150) and (2013: N\$ 100 887). There were stale cheques amounting to N\$ 200 613 that were not presented for payment and the auditors could not trace them.

10. INVESTMENTS AND INTEREST PROCEEDS

The investments as at 30 June were as follows:

Institution	Investments			Interest		
	2015	2014	2013	2015	2014	2013
	N\$	N\$	N\$	N\$	N\$	N\$
Invested at: Financial institutions	141 121	485 928	1 402 895	46 128	66 305	37 179
Unknown		-	569 827		-	-
Total	141 121	485 928	1 972 722	46 128	66 305	37 179

The investments and interest earned were allocated as follows:

	Investment	Interest	Investment	Interest	Investment	Interest
	2015	2015	2014	2014	2013	2013
	N\$	N\$	N\$	N\$	N\$	N\$
Capital	-	-	235 086	-	-	-
Revenue	-	46 128	-	66 305	1 952 032	37 179
Housing Fund	141 121	-	250 842	-	20 690	-
Total	141 121	46 128	485 928	66 305	1 972 722	37 179

11. FUND ACCOUNTS

The position of internal funds and reserves is shown in note 7 at annexure D.

12. TRADE ACCOUNTS

12.1 Operating results

The results for the financial years under review:

	Electricity		
	2015	2014	2013
	N\$	N\$	N\$
Sales	1 650 682	856 643	599 144
Cost of sales	(1 460 554)	(811 833)	(610 805)
Gross profit / (Loss)	190 128	44 810	(11 661)
Other income/ (expenses)	(49 290)	(33 028)	22 520
Net / surplus	140 838	11 782	10 859
Gross profit/(loss) on cost of sales	13%	(6%)	(2%)
Net profit/(loss) percentage on cost of sales	9.64%	(1%)	2%

	Water		
	2015	2014	2013
	N\$	N\$	N\$
Sales	1 286 643	812 902	704 074
Cost of sales	(1 103 877)	(887 736)	(776 502)
Gross profit / (Loss)	182 766	(74 833)	(72 428)
Other income/ (expenses)	(1 105 966)	(21 939)	6 449
Net deficit	(923 200)	(96 772)	(65 979)
Gross profit/(loss) on cost of sales	17%	8%	(9%)
Net profit/(loss) percentage on cost of sales	(84%)	11%	(8%)

The Council should implement measures to turn the water trade account into profitable services.

12.2 Distribution losses

The Council should provide the auditors with statistics to enable them to calculate the distribution losses for the year under review. The electricity reconciliations revealed a loss of 971 560 kw and for water reconciliation revealed a loss of 301 321 m³. Invoices for July 2013 to 31 December 2013 and February 2014 to May 2014 could not be found at the Council during the audit.

13. SELF-SUPPORTING EXTERNAL SERVICES

The net results of these services, compared with the previous year, are as follows:

	Income 2015	Expenses 2015	Surplus/(deficit) 2015	Surplus/(deficit) 2014
	N\$	N\$	N\$	N\$
Cleansing services	84 260	(1 220 925)	(1 136 665)	(755 231)
Sewerage	115 655	-	115 655	149 835
Townlands	194 402	-	194 402	43 778
Total	394 317	(1 220 925)	(826 608)	(561 618)
	Income 2014	Expenses 2014	Surplus/(deficit) 2014	Surplus/(deficit) 2013
	N\$	N\$	N\$	N\$
Cleansing services	62 675	(817 906)	(755 231)	(441 489)
Sewerage	149 835	-	149 835	128 178
Townlands	43 778	-	43 778	18 845
Total	256 288	(817 906)	(561 618)	(294 466)

The causes for these losses should be investigated and measures should be implemented to turn these services into self-supporting services.

14. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

There were no such expenses.

15. SUSPENSE ACCOUNTS

All suspense accounts are cleared at on regular basis.

16. IRREGULARITIES AND LOSSES

There were no irregularities and losses reported.

17. CAPITAL PROJECTS

Nature of Projects	Revenue account 2015	Total expenditure 2015	Revenue account 2014	Total expenditure 2014	Total expenditure 2013
	N\$	N\$	N\$	N\$	N\$
Council – General expenses	715 590	-	27 095	27 095	179 759
Electricity supply	10 000	-	-	-	596 639
Water supply	1 083 954	-	-	-	-
Streets and road works	213 391	-	46 044	46 044	334 390
Fire Brigade	-	-	-	-	-
Total	2 022 935	-	73 139	73 139	1 110 788

Capital expenditure amounted to N\$ 2 022 935 (2015), N\$ 2 247 003 (2014) and N\$ 1 110 788 (2013). Differences amounting to N\$ 2 173 864 were revealed on reconciliation between the financial statement and Fixed assets register (capital statement) of the Village Council.

18. STUDY LOANS/BURSARIES

No bursaries or study loans were granted during the year under review.

19. CONTRIBUTIONS, GRANTS AND FINANCIAL AID FROM GOVERNMENT

	2015	2014	2013
	N\$	N\$	N\$
Contribution from Government	4 968 032	2 558 950	3 982 852

20. COMPENSATION PAYMENTS

There were no such expenses.

21. VISITS TO FOREIGN COUNTRIES

There were no such expenses.

22. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no such expenses.

23. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY

Donations amounting to N\$ 5 500 were made by the Village Council during 2014 financial year end.

24. TRANSFER OF PROPERTY TO/FROM THE GOVERNMENT

No property was transferred to/or from the Government for the year under review.

25. TRADE AND OTHER RECEIVABLES/PAYABLES.

25.1 Trade and other receivables at 30 June comprised of the following:

	2015	2014	2013
	N\$	N\$	N\$
Services, rates and taxes	5 821 841	3 035 323	2 437 548
Suspense account	69 360	-	2 000
VAT	85 757	224 351	577 784
Housing fund debtors	1 666 964	1 715 699	1 798 017
Provision for bad debts	(1 475 836)	(1 475 836)	(1 475 836)
Total	6 168 086	3 499 537	3 339 513

Lists of housing debtors were not made available to the auditors. (Also refer to paragraph 5.4)

25.2 Trade and other payables at 30 June comprised of the following:

	2015	2014	2013
	N\$	N\$	N\$
Trade Payables	3 741 990	3 547 497	2 643 327
Suspense Account	346 111		
Consumer deposits	523	572	572
Provision for leave	263 448	263 448	263 448
Total	4 352 072	3 811 517	2 907 347

26. ASSESSMENT RATES

	2015	2014	2013
	N\$	N\$	N\$
The net proceeds from assessment rates were	70 350	64 413	65 243
Tariffs per N\$1 valuation per annum- Business			
-Land	0.25	0.035	0.23557
-Improvement	0.060	0.060	0.00571
Tariffs per N\$1 valuation per annum- Residential			
-Land	0.25	0.25	0.25
-Improvement	0.030	0.030	0.030

27. LOANS

27.1 External loans

No external loans were advanced or received during the years under review.

27.2 Internal loans

No internal loans were advanced or received during the years under review.

27.3 Housing loans

	2015	2014	2013
	N\$	N\$	N\$
Total	2 160 981	1 937 026	1 798 017

No list of these loans could be made available to the auditors and therefore could not be verified for correctness.

28. SALE OF ERVEN

Erven sales amounted to N\$ 139 680 (2015), N\$ 43 778(2014) and N\$ 20 492 (2013).

29. PROPERTY SOLD ON AN INSTALMENT

No property was sold on instalment for the years under review.

30. TARIFF ADJUSTMENTS

Tariff adjustments were applied in accordance with the relevant Official Government Notices for the years under review.

31. APPROVALS

All necessary approvals were obtained for the years under review.

32. INVENTORY AND EQUIPMENT

32.1 Motor vehicles

The reconciliation of the number of motor vehicles, distance travelled, and fuel consumed for the years under review could not be availed by the Council for auditing purposes.

32.2 Inventory

No inventory on store materials were recorded or disclosed in the annual financial statements for the year 2014 although inventories did exist.

33. SPECIAL INVESTIGATIONS

No special investigations were carried out during the years under review.

34. Internal control environment

There was no sufficient system of internal controls at the Village Council for the years under review which the auditors could rely upon. There is no evidence of management monitoring key aspects of the business operations and assessing internal controls to detect or prevent fraud. Segregation of duties is not possible due to the small number of staff employed, but increased risk awareness and regular review of internal controls by management could significantly reduce risks the Council might be exposed to.

**VILLAGE COUNCIL OF TSES
BALANCE SHEET AS AT 30 JUNE**

ANNEXURE A

	Note	2015 N\$	2014 N\$	2013 N\$
ASSETS				
Non-current assets				
Property, plant and equipment	2	15 623 597	13 687 963	12 927 754
Investments	3	15 482 476	13 202 035	10 955 032
		141 121	485 928	1 972 722
Current assets				
Suspense account	4	6 209 401	3 535 351	3 375 327
Livestock		69 360		
Accounts receivable	6	41 315	35 814	35 814
		6 098 726	3 499 537	3 337 513
TOTAL ASSETS		21 832 998	17 223 314	16 303 081
EQUITY AND LIABILITIES				
Equity				
Capital outlay	7.1	16 751 777	13 235 647	13 294 847
Fund accounts and reserves	7.2	15 482 475	13 437 122	10 955 032
		1 269 302	(201 475)	2 339 815
Current liabilities				
Accounts payable	8	5 081 221	3 987 667	3 008 234
Bank overdraft	5	4 352 074	3 811 517	2 907 347
		729 148	176 150	100 887
TOTAL EQUITY AND LIABILITIES		21 832 998	17 223 314	16 303 081

ANNEXURE B

VILLAGE COUNCIL OF TSES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE

	Note	2015 N\$	2014 N\$	2013 N\$
INCOME		7 297 584	2 733 858	6 049 867
EXPENDITURE		9 211 106	5 000 609	(5 174 494)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		(1 913 524)	(2 266 751)	875 373
Interest on investment		46 128	66 305	37 179
NET SURPLUS/(DEFICIT) FOR THE YEAR		(1 867 396)	(2 200 446)	968 875
Add : Appropriation and adjustments	9	3 223 937	(467 688)	56 323
ACCUMMULATED SURPLUS/(DEFICIT) FOR THE YEAR		1 356 541	(2 668 137)	968 875
Beginning of the year		(2 389 343)	278 791	(690 084)
End of the year		(1 032 800)	(2 389 343)	278 791

VILLAGE COUNCIL OF TSES
CASH FLOW STATEMENT FOR THE YEARS ENDED 30 JUNE

ANNEXURE C

	Note	2015 N\$	2014 N\$	2013 N\$
Cash flow from operating activities				
Cash receipts from customers		7 297 584	2 733 857	6 049 867
Cash paid to suppliers		(8 120 664)	(4 724 150)	(5 641 094)
Cash generated from operations	10	(823 080)	(1 990 293)	408 773
Investment income		46 128	66 305	37 179
Movement in fund accounts				
Movement in capital outlay		2 045 353	2 482 090	1 110 789
Movement in funds		1 067 827	126 844	175 744
Net cash flow from operating activities		3 113 180	2 608 934	1 286 533
Cash flow from investing activities				
Net capital expenditure		(2 280 441)	(2 247 003)	(1 110 789)
Decrease/(increase) in investment		(344 807)	1 486 794	(1 060 375)
Net cash flow from investing activities		(2 625 248)	(760 209)	(2 171 164)
Net increase in cash and cash equivalents		(552 998)	(75 263)	(438 679)
Cash and cash equivalents at the beginning of the year		(176 150)	(100 887)	337 792
Cash and cash equivalents at the end of the year	5	(729 149)	(176 150)	(100 887)

VILLAGE COUNCIL OF TSES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

1. ACCOUNTING POLICIES

The annual financial statements are compiled in accordance with the historical convention method modified by the restatement of the financial instruments to fair value, except where otherwise stated.

The principal accounting policies of the Village Council, which are set out below, has been consistent and comply with Namibian Statements of Generally Accepted Accounting Practices. The financial statements have been prepared in accordance with the requirements of the Namibian Local Authorities Act, 1992.

1.1 Property, plant and equipment

Property, plant and equipment are stated at cost or at valuation where assets have been acquired by grant or donation, less depreciation written off over the expected useful lives as determined by the Council from time to time. Fixed assets acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan, in which case depreciation is calculated on the shortfall.

1.2 Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

	2015 N\$	2014 N\$	2013 N\$
2. PROPERTY, PLANT AND EQUIPMENT			
Consists of :			
Property development, vehicles, plant and equipment	15 482 476	13 202 035	10 955 035
Financed by :			
Revenue account	-	10 642 953	8 395 950
General capital	15 482 475	2 559 082	2 559 082
	15 482 475	13 202 035	10 955 032

3. INVESTMENTS

Commercial banks and building societies	141 121	485 928	1 972 722
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The investments were allocated as follows:

Financial institutions	141 121	485 928	1 402 895
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ANNEXURE D

VILLAGE COUNCIL OF TSES
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (continued)

	2015 N\$	2014 N\$	2013 N\$
Insurance companies		-	569 8
Total	141 1	485 9	1 972 7
4. SUSPENSE ACCOUNT			
Debtors	69 3		2
	69 3		2
5. CASH AND CASH BALANCES			
Current bank account (overdraft)	(729 149)	(176 150)	(100 887)
	(729 149)	(176 150)	(100 887)
6. ACCOUNTS RECEIVABLE			
Services	5 821 84	3 035 323	2 437 548
Housing loans	1 666 96	1 715 699	583 106
Incomplete projects		-	1 214 911
Provision for bad debts	(1 475 836)	(1 475 836)	(1 475 836)
Value added tax	85 757	224 351	577 784
	6 098 72	3 499 537	3 337 513
7. FUNDS AND ACCOUNTS			
7.1 Capital outlay			
General capital contributions	4 968 03	8 469 089	8 395 950
Revenue contributions	10 514 444	4 968 033	2 559 082
	15 482 475	13 437 122	10 955 032
7.2 Funds, accounts and reserves			
Housing Fund	2 302 10	2 187 868	2 061 024
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992	(1 032 800)	(2 389 343)	278 791
	1 269 30	(201 475)	2 339 815

ANNEXURE D

VILLAGE COUNCIL OF TSES
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
 (continued)

	2015	2014	2013
	N\$	N\$	N\$
8. ACCOUNTS PAYABLES			
Trade payables	3 741 992	3 547 497	2 643 327
Suspense	346 111	-	-
Provision for leave	263 448	263 448	263 448
Consumer deposits	523	572	572
	4 352 074	3 811 517	2 907 347
9. ADJUSTMENTS AND APPROPRIATIONS			
Adjustment Journal 1	923 881	-	-
Unknown	-	-	56 323
Investment written off	-	(569 827)	-
Prior year adjustments	2 300 056	102 139	-
	3 223 937	(467 688)	56 323
10. CASH UTILISED IN OPERATIONS			
Net operating (deficit)/surplus before transfers	(1 867 396)	(2 200 446)	912 552
Adjustments (appropriations)	3 223 937	(467 688)	56 323
Investment income	(46 128)	(66 305)	(37 179)
Operating income before changes in working capital	1 310 413	(2 734 439)	931 696
Changes in working capital			
Increase/(decrease) in trade and other payables	540 557	904 170	(540 724)
decrease/(increase) in inventories	(5 501)	-	(35 814)
(Increase)/decrease in trade and other receivables and suspense account	(2 668 549)	(160 024)	53 615
Cash generated from operations	(823 080)	(1 990 293)	408 773