



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
VILLAGE COUNCIL OF GOCHAS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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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 Gochas for the financial year ended 30 June 2014, 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 2016

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE VILLAGE COUNCIL OF GOCHAS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014**

1. INTRODUCTION

The accounts of the Village Council of Gochas for the year ended 30 June 2014 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Local Authorities Act, 1992 (Act 23 of 1992).

The firm BDO of Windhoek has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Village Council on behalf of the Auditor-General and under his supervision.

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

2. FINANCIAL STATEMENTS

The Village Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 87(1) of the Local Authorities Act, 1992. The audited financial statements are in agreement with the general ledger and are filed in the Office of the Auditor General. The abridged balance sheet at 30 June 2014 on Annexure A is a true reflection of the original.

The financial statements also include:

Annexure B: Abridged income statement
Annexure C: Cash flow statement
Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Village Council is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor General to form an independent opinion, based on the audit, on those statements based on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm complies with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 reasonableness of accounting estimates made by management, as well as overall presentation of the financial statements.

4. AUDIT OBSERVATIONS AND COMMENTS

Items that were also reported in the previous financial year are indicated by way of an asterisk (*).

4.1 Inventory (*)

No physical stock taking was conducted during the year under review. There were no alternative practical audit procedures that the auditors could perform to confirm the existence and completeness of stock on hand at year-end.

4.2 Trade and Other Receivables (*)

Debt outstanding is considerably high and it does not appear as if the Council is improving on debtors' collection. This is a matter of concern as the recovery of long outstanding debtors threatens the future cash flows of the Village Council.

The Council should develop and implement a strict policy of debt collection.

The Council's effectiveness on bad debt recovery policies should be reviewed and improved on.

	2014	2013
	N\$	N\$
Consumer accounts debt outstanding	N\$ 040 395	2 237 723
Provision for bad debts	(2 501 213)	(2 138 365)
Percentage increase / (decrease) in outstanding debts	36%	(3%)
Percentage increase in provision for bad debts	17%	15%
Percentage provision vs. Debt	(82%)	(96%)

Based on the recoverability test, the provision for doubtful debts is understated by N\$ 191 626 thus trade receivables is overstated by that amount.

Housing Loan Debtors has a balance of N\$ 1 944 301 in the financial statements, as per the auditors test only 13% of this amount is recoverable.

4.3 VAT Receivable and employees tax returns (*)

As per the reconciliation performed the VAT receivable has been understated by N\$ 251 969. The completeness, accuracy and valuation of VAT could not be verified. Furthermore, output and input VAT were under declared, as per the auditors calculations. As per the Receiver of Revenue there are outstanding submissions for the PAYE returns.

4.4 Property, plant and equipment (*)

The property, plant and equipment balance as per the financial statements differ by N\$ 543 206 from the fixed asset register which the Council could not explain.

Capital expenses as per the votes differ by N\$ 1 751 327 to the additions as per the fixed asset register.

The depreciation policy has been inaccurately implemented for assets which should have been classified as infrastructure. Depreciation is overstated by N\$ 261 043.

Auditors also noted that the property, plant and equipment is under insured by N\$ 2 116 245. It is critical that the Council reviews and updates the list of assets that are insured as they are acquired and disposed of. This will ensure that the Council does not suffer unnecessary costs.

4.5 Cash and Bank

The Council did not apply the cut-off accounting principle appropriately and reasons for material payments and receipts before and after year end could not be provided by the Council.

4.6 Revenue

Completeness and accuracy of revenue could not be verified. On testing the reasonability of revenue, it was found that House Rentals were understated by N\$ 106 835 and Interest on arrears was understated by N\$ 179 197.

4.7 Expenses

Some expenditure has been processed inclusive of VAT; effectively expenses and the deficit for the year are overstated.

Supporting documents for interest redemption of N\$ 59 039 could not be provided. An overstatement of expenses by N\$ 73 893 due to VAT being processed to individual expense accounts and no documentation were found.

Bulk water purchases per the Namwater statements were N\$ 149 817 less than the expense recorded in the financial statements.

4.8 Trade and Other Payables

Documentation relating to the reconciliations and existence of creditors and sundry creditors worth N\$ 188 069 and N\$ 426 513 were not provided by the Council. Thus creditors could not be verified.

4.9 Loans in arrears (*)

External Government loans are, as in previous years, not repaid but the repayments are provided for as arrear loan instalments. The total instalments in arrears amount to N\$ 1 683 110 (2013: N\$ 1 587 418).

Furthermore the Ministry confirmed outstanding loans to be N\$ 1 469 188 whereas the Council's records reflect N\$ 2 032 602. The difference could not be explained.

5. ACKNOWLEDGEMENT

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

6. FINANCIAL RESULTS

The results of the various operations and transactions on the Revenue Account for the year are as follows:

	Revenue	Expenditure	Surplus/(Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2013				(4 555 650)
General accounts				
Non-profitable services	4 065 187	3 987 418	77 769	
Self-supporting services	185 977	1 021 867	(835 890)	
Trade accounts				
Water	904 261	735 355	168 906	
Electricity	1 922 695	1 505 148	417 547	
	7 078 120	7 249 788	(171 668)	
Deficit for the year				(171 668)
Adjustments and appropriations(Note 11, Annexure D)				472 035
Accumulated deficit 30/06/2014				(4 255 283)

7. CURRENT BANK ACCOUNT

The bank statements reflected a favourable balance for N\$ 554 763 (2013: N\$ 894 565).

	2014	2013
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	401 089	714 037
Outstanding cheques	172 500	189 203
Outstanding deposits	(18 826)	(8 675)
Balance as per bank statements	554 763	894 565

8. INVESTMENTS AND INTEREST PROCEEDS

The investments as at 30 June 2014 were as follows:

Institution	Investments		Interest	
	2014	2013	2014	2013
Invested at:	N\$	N\$	N\$	N\$
Commercial banks	4 746 261	2 302 365	236 093	-
	4 746 261	2 302 365	236 093	-
Distribution				
Capital Reserve Fund	4 009 569	514 248	113 693	-
Build Together Fund	635 857	1 687 283	29 784	-
Capital Outlay	100 835	100 834	-	-
Revenue	-	-	92 616	-
	4 746 261	2 302 365	236 093	-

The prior year interest was not disclosed.

9. FUND ACCOUNTS

The position of the fund and accounts is shown in note 8 at annexure D.

10. TRADE ACCOUNTS

10.1 Operating results

The results for the financial year under review and the previous year were as follows:

	Water	
	2014	2013
	N\$	N\$
Sales	896 114	735 573
Cost of sales	(701 030)	(504 052)
Gross profit	195 084	231 521
Other income / (expenses)	(26 178)	(45 269)
NET SURPLUS / (DEFICIT)	168 906	186 252
Gross profit on sales	21.77%	31.5%
Net surplus / (deficit) percentage on sales	18.85%	25.3%

	Electricity	
	2014	2013
	N\$	N\$
Sales	1 835 670	1 643 068
Cost of sales	(1 453 355)	(1 261 106)
Gross profit	382 315	381 962
Other income / (expenses)	35 232	(371 895)
NET SURPLUS / (DEFICIT)	417 547	10 067
Gross profit on sales	21%	23.2%
Net surplus / (deficit) percentage on sales	23%	0.6%

10.2 Distribution losses

No distribution results for water were available for the year under review.

11. SELF-SUPPORTING EXTERNAL SERVICES

The net result of these services, compared with the previous year, is as follows:

	Income	Expenses	Surplus/ (deficit)	Surplus/ (deficit)
	2014	2014	2014	2013
Cleansing services	183 892	1 002 305	(818 413)	524 450
Cemetery	2 085	19 562	(17 477)	(18 122)
	185 977	1 021 867	(835 890)	506 328

The Council should implement measures to operate cleansing services on self-supporting basis.

12. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was identified during the year under review.

13. SUSPENSE ACCOUNTS

No suspense accounts were disclosed in the annual financial statements for the year under review.

14. IRREGULARITIES AND LOSSES

14.1 No irregularities by employees were reported.

14.2 No losses were reported.

15. CAPITAL PROJECTS

The following expenditure was incurred during the year for capital projects or acquisitions:

	Revenue account	Total expenditure 2014	Total expenditure 2013
	N\$	N\$	N\$
Electricity	147 653	147 653	343 792
General Administration	25 909	25 909	234 418
Streets and Roads	437 327	437 327	433 350
Vehicles	291 643	291 643	-
Town lands	13 200	13 200	197 840
Water	395 600	395 600	10 593
Parks and recreation	197 772	197 772	175 215
Cleansing services	1 384 427	1 384 427	8 698 133
Total	2 893 531	2 893 531	10 093 341

The vote accounts reflected capital charges to the amount of N\$ 1 142 204. However, the fixed assets register reflected a total capital expenditure amounting to N\$ 2 893 531 for the current year, as a result capital expenditure of N\$ 1 751 327 was incorrectly omitted in the financial statements.

16. STUDY LOANS/BURSARIES

No bursaries or loans were granted during the year.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

Government contribution amounting to N\$ 2 849 788 (2013: 4 440 602) were received for the year under review.

18. COMPENSATION PAYMENTS

There were no compensation payments.

19. VISITS TO FOREIGN COUNTRIES

No foreign visits were undertaken during the year under review.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

No claims for losses were received during the year.

21. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY

Donations worth N\$ 1 500 to the Hardap Regional Council were approved by the Council.

22. TRANSFER OF PROPERTY TO/FROM THE GOVERNMENT

No property was transferred to/from the Government.

23. DEBTORS/CREDITORS

23.1 Debtors on 30 June 2014 comprised the following:

	2014	2013
	N\$	N\$
Trade receivables	3 040 395	2 237 723
Value added tax	342 768	1 038 677
House Fund receivables	1 944 301	939 638
Loan:Visser	37 056	-
	5 364 520	4 216 038
Less: Provision for bad debts	(2 501 213)	(2 138 365)
	2 863 307	2 077 673

23.2 Creditors on 30 June 2014 comprise the following:

	2014	2013
	N\$	N\$
Trade creditors	622 330	171 983
Deposits on erven sales	68 355	65 065
Provision for staff leave	260 897	231 231
Customer deposits	14 513	14 465
	966 095	482 744

24. ASSESSMENT RATES

Net surplus from assessment rates amounted to N\$ 172 151 (2013: N\$ 133 089).

Rates on taxes on improvements for both businesses and individuals were as follows: N\$ 0.020 (2013: N\$ 0.020).

Rates on taxes on land value for businesses were as follows: N\$ 0.59 (2013: N\$ 0.59).

Rates on taxes on land value for both individuals (customers) were as follows: N\$ 0.24 (2013: N\$ 0.24).

A payment of N\$ 6 654 (2013: N\$ 4 268) was made to the Regional Council as required by Section 77(1) of the Local Authorities Act.

25. LOANS

25.1 External loan

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

The balances due to the Government of Namibia were as follows: N\$ 2 032 602 (2013: N\$ 1 991 537).

25.2 Internal loans

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

26. SALE OF ERVEN

Erven worth N\$ 6 646 were sold during the year under review.

27. PROPERTY SOLD ON AN INSTALMENT BASIS

No property details of houses that were sold on instalment basis for the year under review could be provided.

28. TARIFF ADJUSTMENTS

All tariff adjustments were in accordance with the relevant Official Government notice.

29. APPROVALS

29.1 Excess on approved budget

There was excess spending noted in current year on the parks and recreation vote. The auditors could not ascertain if the extra expenditure on this vote was approved as the Council could not provide any proof.

30. STOCK AND EQUIPMENT

30.1 Motor vehicles and values thereof:

	Sedan		LDV's, 4x4's and Combi's		Other	
	Number	Value (N\$)	Number	Value (N\$)	Number	Value (N\$)
Balance – 01/07/2013	1	24 854	4	417 256	7	871 301
Corrections	-	-	-	-	5	802 532
Sub-total	1	24 854	4	417 256	12	1 673 833
Additions	-	-	-	-	2	291 643
Depreciation	-	(24 853)	-	(113 871)	-	(467 556)
Balance – 30/06/2014	1	1	4	303 385	14	1 497 920

30.2 Inventory

Inventory records for work in progress of N\$ 297 580 (2013: N\$ 279 228); and consumables N\$ 1 234 617 (2013: N\$ 438 536).

Records relating to livestock have been established and are maintained. The value of livestock at year-end was N\$ 125 100 (2013: N\$ 94 500).

31. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

32. GENERAL

32.1 Internal controls

There is no sufficient system of internal control at the Village Council for the year under review. Proper segregation of duties is not possible due to the small number of staff employed.

33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 Informal queries addressed to the Chief Executive Officer consist of:

- Lack of supporting documentation
- Completeness of Property Plant and Equipment
- VAT and Tax
- Completeness of Revenue
- Weaknesses in Internal Controls
- Incorrect Accounting principles application
- Debtors Recoverability
- External loans

34. BASIS FOR QUALIFIED AUDIT OPINION

- The property, plant and equipment balance as per the financial statements differ by N\$ 543 206 from the fixed asset register which the council could not explain.
- Capital expenses as per the votes differ by N\$ 1 751 327 to the additions as per the fixed asset register.
- The depreciation policy has been inaccurately implemented for assets which should have been classified as infrastructure. Depreciation is overstated by N\$ 261 043.
- We thus could not ascertain the existence, completeness and accuracy of property, plant and equipment.
- Based on the recoverability test the provision for doubtful debts is understated by N\$ 191 626 thus trade receivables is overstated by that amount.
- Housing Loan Debtors has a balance of N\$ 1 944 301 in the financial statements, as per our tests only 13% (N\$ 252 759) of this amount is recoverable. Assurance could thus not be obtained regarding the valuation of trade and housing debtors.
- The Council did not apply the cut-off accounting principle appropriately and reasons for material payments and receipts before and after year end could not be provided by the Council. The completeness and existence of cash and bank could not be ascertained.
- External Government loans are, as in previous years, not repaid but the repayments are provided for as arrear loan instalments. The total instalments in arrears amount to N\$ 1 683 110 (2013:N\$ 1 587 418).
- Furthermore the Ministry confirmed outstanding loans to be N\$ 1 469 188 whereas the Council's records reflect N\$ 2 032 602. The difference could not be explained.
- Supporting documentation relating to creditors and sundry creditors worth N\$ 188 069 and N\$ 426 513, were not provided by the Council. Thus creditors could not be verified.
- As per the reconciliation performed the VAT receivable has been understated by N\$ 251,969. The completeness, accuracy and valuation of VAT could not be verified. Furthermore, output and input VAT were under declared, as per our calculations.
- No physical stock taking was conducted during the year under review. There were no alternative practical audit procedures that the auditors could perform to confirm the existence and completeness of stock on hand at year-end.
- Completeness and accuracy of revenue could not be verified. On testing the reasonability of revenue it was found that House Rentals were understated by N\$ 106 835 and Interest on arrears was understated by N\$ 179 197.
- Some expenditure has been processed inclusive of VAT; effectively expenses and the deficit for the year are overstated.
- Supporting documents for interest redemption of N\$ 59 039 could not be provided. And expenses were overstated by N\$ 73 893 due to VAT being processed to individual expense accounts.

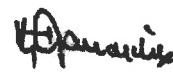
- Bulk water purchases as per the Namwater statements were N\$ 149 817 less than the expenserecorded in the financial statements.

35. QUALIFIED AUDIT OPINION

The accounts of the Village Council of Gochas for the financial year ended 30 June 2014, summarized in Annexure A to D, were audited by me in terms of the provisions of Section 85 of the Local Authorities Act, 1992, read with Section 25 (1) (b) of the State Finance Act, 1991.

Except for the effects of any adjustments which might have been necessary as referred to in the preceding paragraphs, in my opinion these financial statements fairly present the financial position of the Village Council at 30 June 2014 and the result of its operations and cash flows for the year then ended.

WINDHOEK, April 2016



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

VILLAGE COUNCIL OF GOCHAS

ANNEXURE A

BALANCE SHEET AS AT 30 JUNE 2014

	Notes	2014 N\$	2013 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2	18 168 184	17 950 213
Investments	3	4 746 261	2 302 365
Current assets			
Trade and other receivables	4	2 863 307	2 077 673
Inventory	5	1 657 296	812 264
Cash and cash equivalents	6	404 054	717 002
TOTAL ASSETS		27 839 102	23 859 517
EQUITY AND LIABILITIES			
Equity			
Capital outlay	7	17 919 527	17 646 929
Funds and accounts	8	6 920 878	3 738 307
Long-term liabilities			
Long-term loans	9	349 492	404 119
Current liabilities			
Trade and other payables	10	966 095	482 744
Short-term portion of long-term loans	9	1 683 110.00	1 587 418.00
TOTAL EQUITY AND LIABILITIES		27 839 102	23 859 517

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		N\$	N\$
INCOME		6 985 505	8 225 877
EXPENDITURE		(7 249 788)	(7 105 461)
OPERATING PROFIT FOR THE YEAR		(264 283)	1 120 416
Interest earned		92 616	31 236
NET LOSS FOR THE YEAR		(171 668)	1 151 652
Add : Appropriation and adjustments	11	472 035	688 433
RETAINED PROFIT FOR THE YEAR		300 367	1 840 085
Accumulated Funds - 01 July 2013		(4 555 650)	(6 395 735)
Accumulated Funds - 30 June 2014		(4 255 283)	(4 555 650)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 N\$	2013 N\$
Cash flow from operating activities			
Cash receipts from customers		6 985 505	8 225 877
Cash paid to suppliers		(7 925 068)	(7 577 570)
Cash generated from operations	12	(939 563)	648 307
Investment income		92 616	31 236
Movement in Fund accounts			
-(Decrease)/increase in Fund accounts		2 882 204	(4 676 308)
-Increase in capital outlay		272 598	8 102 825
Net cashflow from operating activities		2 307 855	4 106 060
Cash flow from investing activities			
- Net capital expenditure		(217 972)	(8 061 677)
-(Decrease)/increase in investments		(2 443 896)	4 783 871
Net cashflow from investing activities		(2 661 868)	(3 277 806)
Cash flow from financing activities			
Increase in long-term liabilities		41 065	37 474
Net cashflow from financing activities		41 065	37 474
Net increase in cash and cash equivalents		(312 949)	865 728
Cash and cash equivalents at the beginning of the year		717 002	(148 726)
Cash and cash equivalents at the end of the year	6	404 053	717 002

VILLAGE COUNCIL OF GOCHAS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2014

1 ACCOUNTING POLICIES**1.1 Basis of presentation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

1.2 Property, plant and equipment and depreciation

All plant and equipment are initially recorded at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. All other plant and equipment are stated at historical cost or valuation where applicable.

Depreciation of fixed assets ranged from 5 to 20 years.

1.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

1.4 Fixed property fund

Proceeds from the sale of land that has been developed by the Village Council accumulates in this Fund. Cost incurred on the development of land is charged to this fund.

1.5 Housing Fund

The purpose of this Fund is to provide for housing loans. Income to this Fund is transferred from the general income statement account, external loans from Government and interest on investments and loans.

1.6 Capital Reserve Fund

This Fund was created to make provision for unforeseen expenditures as approved by the Council.

1.7 Build Together Fund

The purpose of this Fund is to provide housing loans to the low income group. Income is derived from Government contributions, repayments, interest on investments and loans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
(continued)

	2014	2013
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Consists of :		
Property development, vehicles, plant and equipment	18 168 184	17 950 213
Financed by :		
Revenue contributions	14 830 578	13 688 027
Capital contributions	2 291 094	3 215 674
Loans	1 046 512	1 046 512
	18 168 184	17 950 213
3. INVESTMENTS		
Commercial banks and building societies	4 746 261	2 302 365
The investments were allocated as follows:		
Capital Reserve Fund	4 009 569	514 248
Build Together Fund	635 857	1 687 283
Capital Outlay	100 835	100 835
Total	4 746 261	2 302 365
4. TRADE AND OTHER RECEIVABLES		
Trade Receivables	3 040 395	2 237 723
Value Added Tax	342 768	1 038 677
Loan Visser	37 056	-
Housing Fund Receivables	1 944 301	939 638
	5 364 520	4 216 038
Less :		
Provision for doubtful debts	(2 501 213)	(2 138 365)
	2 863 307	2 077 673

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
(continued)

	2014	2013
	N\$	N\$
5. INVENTORY		
Livestock	125 100	94 500
Other Inventories	1 234 616	438 536
Work In Progress - Incomplete Build Together Projects	297 580	279 228
	1 657 296	812 264
6. CASH AND BANK BALANCES		
Current bank account	401 089	714 037
Petty Cash	2 965	2 965
	404 054	717 002
7. CAPITAL OUTLAY		
Contribution from Revenue	14 830 577	13 688 027
Contribution from Capital	2 291 096	3 215 674
Loans Redeemed	797 854	743 228
	17 919 527	17 646 929
8. FUNDS AND ACCOUNTS		
Fixed Property Fund	77 597	77 597
Capital Reserve Fund	6 988 197	4 141 478
Housing Fund	114 753	114 753
Built Together Fund	3 834 416	3 799 924
Built Together Prepaid Fund	161 199	160 206
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	(4 255 283)	(4 555 650)
	6 920 878	3 738 307
	24 840 405	21 385 236

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
(continued)

		2014	2013
		N\$	N\$
9.	LONG-TERM LIABILITIES		
	The Government of Namibia		
	Capital Section	2 032 602	1 991 537
		2 032 602	1 991 537
	Short-term portion stated as current liabilities	(1 683 110)	(1 587 419)
		349 492	404 119
10.	TRADE AND OTHER PAYABLES		
	Trade creditors	622 330	171 983
	Deposits on Erven Sales	68 355	65 064
	Leave Provisions	260 897	231 231
	Consumer Deposits	14 513	14 465
		966 095	482 744

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
(continued)

	2014	2013
	N\$	N\$
11. ADJUSTMENTS AND APPROPRIATIONS		
Prior year adjustments	37 868	576 180
Provision for bad debts	(362 848)	(276 163)
Inventory adjustment	826 681	388 415
Expenditure	(29 666)	-
	472 035	688 433
12. CASH UTILISED IN OPERATIONS		
Net operating profit (deficit) before transfers	(264 283)	1 120 416
Adjustments (appropriations)	472 035	688 433
Investment income	-	-
12.1 Operating income before changes in working capital	207 752	1 808 849
Changes in working capital		
(Decrease) / increase in trade and other payables	483 351	(376 305)
(Increase) / decrease in inventories	(845 032)	(563 491)
(Increase) / decrease in trade and other receivables	(785 634)	(220 746)
	(1 147 316)	(1 160 542)
	(939 563)	648 307

