



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

VILLAGE COUNCIL OF KALKRAND

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2008 AND 2009

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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 Kalkrand for the financial years ended 30 June 2008 and 2009, 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.

WINDHOEK, July 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
KALKRAND VILLAGE COUNCIL
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2008 AND 2009**

1. INTRODUCTION

The accounts of the Kalkrand Village Council for the years ended 30 June 2008 and 2009 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 Mostert Landgrebe 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.

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, **except that they were only finalised and signed on 8 November 2010 instead of six months after the year-end as required by the Act.** 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 Annexure A is a true reflection of the original signed by the Accounting Officer.

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 and on the regularity of the financial transactions included in them and to report the opinion of the Auditor-General to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply 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 auditor's judgment, 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 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 reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. AUDIT OBSERVATION AND COMMENTS

4.1 Internal control and accounting records (2008 & 2009)

There were no sufficient systems of internal control and no proper accounting records at the Village Council on which the auditors could rely upon for audit purposes.

4.2 Property, plant and equipment (2008 & 2009)

No proper asset register is available at the Village Council, and no verification of assets for existence, carrying value or completeness could be performed by the auditors.

No depreciation was calculated on assets.

4.3 Trade receivables (2008 & 2009)

The list of trade receivables reflected an amount of N\$ 54 484 for the 2008 financial year more than the control account. Council could not explain the difference.

The auditors are of the opinion that the provision for bad debts is understated by N\$ 832 006 for the 2009 and N\$ 832 921 for the 2008 financial year (2007: N\$ 728 115).

The contracts for the Build Together Fund were not signed by the Council officials and there are no bonds registered for the security of the loans. The Council's Build Together contracts may not be legally binding due to the lack of the Council's official signature. No significant repayments have been made for the Build Together loan advances.

4.4 Inventories (2008 & 2009)

No provision for inventories was made in the financial statements of the Village Council. The auditors were unable to calculate the estimated amount due to the fact that the Village Council did not prepare any stock lists, nor counted stock at year-end.

4.5 Trade and other payables (2008 & 2009)

No reconciliations of trade and other payables were available for audit purposes, and the auditors were thus unable to verify the correctness and completeness of trade and other payables.

No records for the provision for leave were available at the Village Council and the auditors were thus unable to verify the correctness and completeness of the provision.

4.6 External loans (2008 & 2009)

External loans are, as in previous years, not repaid. Repayments, including interest, are not provided for. No interest on arrear loan instalments is calculated and provided for.

4.7 Salaries and wages (2008 & 2009)

The auditors' reconciliation of the annual financial statements payroll amounts to the salary register revealed a material difference which remains unexplained. No leave records were available of their employees.

4.8 VAT and P.A.YE (2008 & 2009)

Not all P.A.Y.E. returns were submitted timeously to the Directorate: Inland Revenue. The provisions in the financial statements might not be sufficient to cover for arrear amounts, penalties and interest thereon.

Included in trade and other payables is an amount of 2009: N\$ 273 263 and 2008: N\$ 219 594 for VAT payable. Due to a lack of supporting documentation, the auditors were unable to verify the accuracy of these amounts.

4.10 Refuse and sewerage (2008 & 2009)

The Council does not charge basic charges for the customers who make use of refuse and sewerage services. Only customers who do not make use of these services are charged basic charges. Corrections should be made in the billing system to ensure billing is accurately and appropriately executed.

4.11 Assessment rates and taxes (2008 & 2009)

The auditors were unable to verify the accuracy and completeness of rates and taxes due to a lack of supporting documentation.

4.12 Minutes of meetings (2008 & 2009)

The minutes of meetings provided for audit purposes were not complete.

4.13 Other receivables - Build Together advances (2008 & 2009)

Included in other receivables is an amount of 2009: N\$ 534 690 and 2008: N\$ 550 369 for Build Together advances. No list of these advances could be provided to the auditors and the auditors were thus unable to verify the completeness and accuracy of these advances.

4.14 Income and expenses (2008 & 2009)

Income and expenses could not be verified by the auditors due to lack of supporting documentation. Council should attend to this as a matter of urgency.

4.15 Investments (2008 & 2009)

No supporting documentation for investments of 2009: N\$ 1 022 274 and 2008: N\$ 579 619 was available. The auditors therefore could not verify the correctness of investments.

4.16 Bank reconciliation (2008)

No bank statements were available for audit purposes. The auditors therefore could not verify the correctness of the bank reconciliation.

5. ACKNOWLEDGEMENT

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

6. FINANCIAL RESULTS

The results of the operations of, and transactions on the Revenue account for the year were as follows:

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
Accumulated surplus 01/07/2008	N\$	N\$	N\$	N\$
				568 683
General accounts				
- Non-profitable	1 467 220	1 189 701	277 519	
- Self-supporting	87 603	8 315	79 288	
Trade accounts				
- Water	269 734	385 128	(115 394)	
- Electricity	509 684	541 494	(31 810)	
Surplus for the year	2 334 241	2 124 638	209 603	209 603
Adjustments and utilizations (See note 10, Annexure D)				778 286
				108 154
Accumulated surplus 30/06/2009				886 440

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus 01/07/2007				403 152
General accounts				
- Non-profitable	1 790 818	1 309 185	481 633	
- Self-supporting	81 882	92 718	(10 836)	
Trade accounts				
- Water	169 471	78 699	90 772	
- Electricity	414 598	919 305	(504 707)	
Surplus for the year	2 456 769	2 399 907	56 862	56 862
Adjustments and utilizations (See note 10, Annexure D)				460 014
				108 669
Accumulated surplus 30/06/2008				568 683

7. CURRENT BANK ACCOUNT

	2009	2008	2007
	N\$	N\$	N\$
Cash-book balance at 30 June	15 629	(72 117)	43 475
Outstanding cheques	-	-	-
Cash-book balance at 30 June - Balance sheet	15 629	(72 117)	43 475
Outstanding cheques	13 932	92 004	1 087
Balance as per bank statement	29 561	19 887	44 562

8. INVESTMENTS AND INTEREST PROCEEDS

On 30 June the investments were as follows:

	2009	2008	2007
	N\$	N\$	N\$
Commercial banks	1 022 274	579 619	93 771
SORED	-	-	89 635
	1 022 274	579 619	183 406

No supporting documents was available therefore, auditors could not verify the investments.

The investments were allocated as follows between the Funds:

	2009	2008	2007
	Investment	Investment	Investment
	N\$	N\$	N\$
Build Together Fund	28 063	11 223	118
Revenue	994 211	568 396	183 288
	1 022 274	579 619	183 406

9. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 6 in Annexure D.

10. TRADE ACCOUNTS

10.1 The results of operations were as follows:

	Electricity		Water	
	2009	2008	2009	2008
	N\$	N\$	N\$	N\$
Sales	502 003	411 222	269 134	169 471
Cost of bulk purchases	(54 524)	(467 641)	(328 680)	(55 270)
Gross profit/(loss)	447 479	(56 419)	(59 546)	114 201
Net (expenditure)/income	(479 289)	(448 288)	(55 848)	(23 429)
Net (deficit)/surplus	(31 810)	(504 707)	(115 394)	90 772
Gross profit/(loss) percentages on sales	89.1%	(13.7%)	(22.1%)	67.4%
Net profit/(loss) percentage on sales	(6.3%)	(122.7%)	(42.9%)	53.6%

	Electricity		Water	
	2008	2007	2008	2007
	N\$	N\$	N\$	N\$
Sales	411 222	617 292	169 471	725 629
Cost of bulk purchases	(467 641)	(460 149)	(55 270)	(298 871)
Gross profit/(loss)	(56 419)	157 143	114 201	426 758
Net (expenditure)/income	(448 288)	(223 588)	(23 429)	(209 336)
Net (deficit)/surplus	(504 707)	(66 445)	90 772	217 422
Gross profit/(loss) percentages on sales	(13.7%)	25.5%	67.4%	58.8%
Net profit/(loss) percentage on sales	(122.7%)	(10.8%)	53.6%	30.0%

10.2 Distribution results were as follows:

No statistics for water and electricity distribution in units were kept by the Village Council.

11. SELF-SUPPORTING SERVICES

11.1 The result for the year under review is as follows:

	Income	Expenses	Surplus/	Surplus/
	2009	2009	(deficit)	(deficit)
	N\$	N\$	N\$	N\$
Cleansing services	65 953	2 236	63 717	(30 975)
Townlands	21 650	6 079	15 571	20 139
Surplus/(deficit) for the year	87 603	8 315	79 288	(10 836)

	Income	Expenses	Surplus/	Surplus/
	2008	2008	(deficit)	(deficit)
	N\$	N\$	N\$	N\$
Cleansing services	61 554	92 529	(30 975)	(146 540)
Townlands	20 328	189	20 139	7 241
Surplus/(deficit) for the year	81 882	92 718	(10 836)	(139 299)

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorised or avoidable expenditure was revealed during the years under review.

13. SUSPENSE ACCOUNTS

Suspense accounts were cleared on a regular basis during the years under review.

14. IRREGULARITIES AND LOSSES

There were no such items revealed during the years under review.

15. CAPITAL PROJECTS

The following expenditures were incurred during the years for capital projects or acquisitions:

Nature of projects/acquisitions	Financed by	Total expenditure 2009	Total expenditure 2008
	Revenue account		
General administration	N\$ 30 017	N\$ 30 017	N\$ 408 866
Water	15 077	15 077	-
Cleansing	-	-	76 825
Electricity	-	-	301 348
	45 094	45 094	787 039

Nature of projects/acquisitions	Financed by	Total expenditure 2008	Total expenditure 2007
	Revenue account		
General administration	N\$ 408 866	N\$ 408 866	N\$ 555 600
Streets and roads	-	-	13 686
Parks and recreation	-	-	23 360
Water	-	-	30 919
Cleansing	76 825	76 825	-
Electricity	301 348	301 348	-
	787 039	787 039	623 565

16. BURSARIES

There were no bursaries granted for the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID RECEIVED FROM GOVERNMENT

	2009	2008	2007
	N\$	N\$	N\$
Contribution	1 200 000	1 585 169	1 245 000

18. COMPENSATION PAYMENTS

There were no compensation payments during the years under review.

19. VISITS TO FOREIGN COUNTRIES

There were no visits to foreign countries during the years under review.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority during the years under review.

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

There were no such expenses.

22. TRANSFER OF PROPERTY

22.1 There were no transfers of property to the Local Authority during the years under review.

22.2 There were no transfers of property by the Local Authority to others during the years under review.

23. TRADE AND OTHER RECEIVABLES/PAYABLES

23.1 Trade and other receivables at 30 June were:

	2009	2008	2007
	N\$	N\$	N\$
Services	1 258 319	1 222 168	1 261 761
Build Together Fund	534 690	550 368	561 474
Sundry receivables	-	-	9 640
Provision for bad debts	(250 000)	(250 000)	(250 000)
Total	1 543 009	1 522 536	1 582 875

No lists for trade receivables were available and the auditors thus could not verify trade receivables to their satisfaction.

23.2 Trade and other payables at 30 June were:

	2009	2008	2007
	N\$	N\$	N\$
Trade payables	501 333	334 421	498 074
Consumer deposits	2 115	2 115	2 115
VAT control	273 263	219 594	13 650
Interest and redemption	117 167	105 794	94 420
	893 878	661 924	608 259

24. ASSESSMENT RATES

	2009	2008	2007
	N\$	N\$	N\$
Proceeds	81 732	61 344	109 660
Tariffs per N\$1 valuation			
- Land	0.0900	0.0900	-
- Improvements	0.0035	0.0035	-

25. LOANS

25.1 External loans

	2009	2008	2007
	N\$	N\$	N\$
Government of Namibia	97 241	99 929	102 407

25.2 Due to the Village Council

There are no loans due to the Council during the years under review.

25.3 Loans written off

No loans were written off during the years under review.

26. SALE OF ERVEN

No erven were sold during the years under review.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

No property was sold on an instalment basis during the years under review.

28. TARIFF ADJUSTMENTS

Tariff adjustments were duly approved and promulgated in the Government Gazette.

29. APPROVALS

All necessary approvals were obtained.

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicle and values thereof:

No asset register was available at the Council.

30.2 Inventory

No inventory records were available.

31. SPECIAL INVESTIGATIONS

There were no special investigations carried out during the years under review.

32. GENERAL

There is an insufficient system of internal control at the Village Council. Proper segregation of duties is not possible due to the small number of staff employed. While increased management involvement does not reduce risks, it causes the risk that management and Council override existing controls, a potentially dangerous practice, which Council should vigilantly guard against.

33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 There were no informal queries.

34. DISCLAIMED AUDIT OPINION

The accounts of the Kalkrand Village Council for the financial years end 30 June 2008 and 2009, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authority act, 1992, read with Section 25 (1) (b) of the State Finance Act, 1991.

The audit opinion has been disclaimed due to the following reasons:

Internal control and accounting records

There were no sufficient systems of internal control and no proper accounting records at the Village Council on which the auditors could rely upon for audit purposes.

Property, plant and equipment

No proper asset register is available at the Village Council, and no verification of assets for existence, carrying value or completeness could be performed.

Trade receivables

The list of trade receivables reflects an amount of 2008: N\$ 54 484 more than the control account. Council could not explain the difference.

The auditors are of the opinion that the provision for bad debts is understated by 2009: N\$ 832 006 and 2008: N\$ 832 921 (2007: N\$ 728 115).

The contracts for the Build Together Fund were not signed by the Council officials and there are no bonds registered for the security of the loans. The Council's Build Together contracts may not be legally binding due to the lack of the Council's official signature. No significant repayments have been made for the Build Together loan advances.

Trade and other payables

No reconciliations of trade and other payables were available for audit purposes.

No records for the provision for leave were available at the Village Council.

External loans

External loans are, as in previous years, not repaid. Repayments, including interest, are not provided for. No interest on arrear loan instalments is calculated and provided for.

VAT and P.A.YE

Not all P.A.Y.E. returns were submitted timeously to the Directorate: Inland Revenue. The provisions in the financial statements might not be sufficient to cover for arrear amounts, penalties and interest thereon.

Included in trade and other payables is an amount of 2009: N\$ 273 262.88 and 2008: N\$ 219 593 for VAT payable. No supporting documentation was available to verify this amount.

Other receivables - Build Together advances

Included in other receivables is an amount of 2009: N\$ 534 689.73 and 2008: N\$ 550 369 for Build Together advances. No list of these advances could be provided to the auditors and the auditors were thus unable to verify the completeness and accuracy of these advances.

Income and expenses

Income and expenses could not be verified due to lack of supporting documentation.

Investments

No supporting documentation for investments of 2009: N\$ 1 022 274 and 2008: N\$ 579 619 were available.

Bank reconciliation

No bank statements were available to verify the correctness of the bank reconciliation.

WINDHOEK, July 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR- GENERAL**

KALKRAND VILLAGE COUNCIL

BALANCE SHEETS AT 30 JUNE

	Notes	2009 N\$	2008 N\$	2007 N\$
ASSETS				
Non-current assets				
Property, plant and equipment	2	2 998 684	2 510 935	1 327 683
Investments	3	1 976 410	1 931 316	1 144 277
		1 022 274	579 619	183 406
Current assets				
Trade and other receivables	4	1 558 637	1 450 419	1 627 437
Cash and cash equivalents	5	1 543 009	1 522 536	1 582 875
		15 628	(72 117)	44 562
TOTAL ASSETS		4 557 321	3 961 354	2 955 120
FUNDS AND LIABILITIES				
Funds and reserves				
Capital outlay	6	3 566 202	3 199 501	2 244 454
Funds and accounts	7	1 878 222	1 830 439	1 040 923
		1 687 980	1 369 062	1 203 531
Long-term liabilities				
	8	97 241	99 929	102 407
Current liabilities				
Trade and other payables	9	893 878	661 924	608 259
TOTAL FUNDS AND LIABILITIES		4 557 321	3 961 354	2 955 120

KALKRAND VILLAGE COUNCIL

INCOME STATEMENTS FOR THE YEARS ENDED 30 JUNE

	Note	2009 N\$	2008 N\$	2007 N\$
INCOME		2 307 065	2 440 482	2 855 598
EXPENDITURE		(2 124 638)	(2 399 907)	(2 629 810)
NET OPERATING PROFIT		182 427	40 575	225 788
INVESTMENT INCOME EARNED FOR REVENUE ACCOUNTS		27 176	16 287	26 785
NET PROFIT FOR THE YEAR		209 603	56 862	252 573
APPROPRIATION ACCOUNT - Adjustments	10	108 154	108 669	(251 001)
		317 757	165 531	1 572
ACCUMULATED FUNDS - Beginning of the year		568 683	403 152	401 580
ACCUMULATED FUNDS - End of the year		886 440	568 683	403 152

KALKRAND VILLAGE COUNCIL

CASH FLOW STATEMENTS FOR THE YEARS ENDED 30 JUNE

	Note	2009 N\$	2008 N\$	2007 N\$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		2 307 065	2 440 482	2 855 598
Cash paid to suppliers		(1 805 003)	(2 177 234)	(3 157 799)
Cash generated/(utilised) by operations	11	502 062	263 248	(302 201)
Investment income		27 176	16 287	26 785
Movement in Fund accounts				
- (Decrease) in Fund accounts		1 161	-	(639)
- Increase in Capital outlay		47 783	789 516	640 509
Net cash flow from operating activities		578 182	1 069 051	364 454
CASH FLOW FROM INVESTING ACTIVITIES				
Net capital expenditure		(45 094)	(787 039)	(623 565)
(Increase)/decrease in investments		(442 655)	(396 213)	270 893
		(487 749)	(1 183 252)	(352 672)
CASH FLOW FROM FINANCING ACTIVITIES				
Decrease in long-term liabilities		(2 688)	(2 478)	(16 944)
		(2 688)	(2 478)	(16 944)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
		87 745	(116 679)	(5 162)
CASH AND CASH EQUIVALENTS				
- BEGINNING OF THE YEAR		(72 117)	44 562	49 724
CASH AND CASH EQUIVALENTS				
- END OF THE YEAR		15 628	(72 117)	44 562

KALKRAND VILLAGE COUNCIL**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE**

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.

No depreciation is calculated on property, plant and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

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 marked instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

1.4 Internal Funds

The following Funds were created by the Village Council:

1.4.1 Fixed Property Fund

Proceeds from the sale of land that has been developed by the Village Council, accumulate in this Fund. Costs incurred on the development of land are charged to this Fund.

1.4.2 Build Together Fund

The purpose of this Fund is to provide for housing loans in the low income group of the village. Income to this Fund is transferred from the general income account, contributions from Government and interest on investments and loans.

1.4.3 Capital Reserve Fund

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

KALKRAND VILLAGE COUNCIL

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2009	2008	2007
	N\$	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT			
Property development, vehicles, plant and equipment at cost	1 976 410	1 931 316	1 144 277
3. INVESTMENTS			
Commercial banks	1 022 274	579 619	93 771
Sored	-	-	89 635
	1 022 274	579 619	183 406
The investments were allocated as follows between the Funds:			
Housing Fund	-	11 223	-
Build Together Fund	28 063	-	118
Revenue	994 211	568 396	183 288
	1 022 274	579 619	183 406
4. TRADE AND OTHER RECEIVABLES			
Services	1 258 319	1 222 168	1 261 761
Build Together Fund	534 690	550 368	561 474
Sundry receivables	-	-	9 640
Provision for bad debts	(250 000)	(250 000)	(250 000)
	1 543 009	1 522 536	1 582 875
5. CASH AND CASH EQUIVALENTS			
Cash on hand	-	-	1 087
Current bank account	15 628	(72 117)	43 475
	15 628	(72 117)	44 562
6. CAPITAL OUTLAY			
Loans redeemed	20 317	17 628	15 150
Revenue contributions	1 855 535	1 810 441	1 023 403
General Capital contributions	2 370	2 370	2 370
	1 878 222	1 830 439	1 040 923

KALKRAND VILLAGE COUNCIL

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2009	2008	2007
	N\$	N\$	N\$
7. FUNDS AND ACCOUNTS			
Capital Reserve Fund	2 263	2 263	2 263
Renewal Fund	167 206	167 206	167 206
Build Together Fund	562 753	561 592	561 592
Fixed Property Fund	69 318	69 318	69 318
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	886 440	568 683	403 152
	1 687 980	1 369 062	1 203 531
8. LONG-TERM LIABILITIES			
External loans	97 241	99 929	102 407
9. TRADE AND OTHER PAYABLES			
Trade payables	501 333	334 421	498 074
Consumer deposits	2 115	2 115	2 115
VAT control	273 263	219 594	13 650
Interest and redemption	117 167	105 794	94 420
	893 878	661 924	608 259
10. ADJUSTMENTS TO APPROPRIATION ACCOUNT			
Prior year adjustments	-	-	(1 001)
Provision for bad debts	-	-	(250 000)
Unexplained difference	108 154	108 669	-
	108 154	108 669	(251 001)

KALKRAND VILLAGE COUNCIL

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2009	2008	2007
	N\$	N\$	N\$
11. CASH GENERATED/(UTILISED) BY OPERATIONS			
Net operating profit/(loss) before transfers	209 603	56 862	252 573
Adjustments for :			
- Adjustments to appropriation account	108 154	108 669	(251 001)
- Investment income	(27 176)	(16 287)	(26 785)
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL	290 581	149 244	(25 213)
CHANGES IN WORKING CAPITAL			
Decrease/(increase) in trade and other receivables	(20 473)	60 339	(657 576)
Increase in trade and other payables	231 954	53 665	380 588
	211 481	114 004	(276 988)
CASH GENERATED/(UTILISED) BY OPERATIONS	502 062	263 248	(302 201)