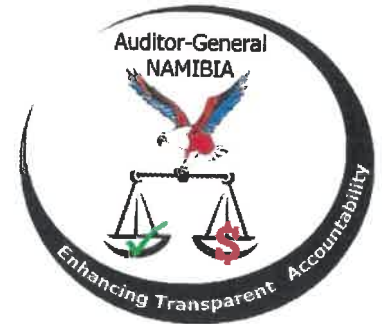




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
VILLAGE COUNCIL OF KALKRAND
FOR THE FINANCIAL YEAR 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 Kalkrand for the financial year 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, September 2016

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

1. Report on the Financial Statements

1.1 INTRODUCTION

This report on the accounts of the Kalkrand Village Council for the financial years ended 30 June 2014 and 2015 are presented to the National Assembly in accordance with provisions set out in Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992).

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

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

Annexure A: Balance Sheet
Annexure B: Income Statement
Annexure C: Cash Flow Statement
Annexure D: Notes to the Financial Statements

The 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 financial statements, notes to the financial statements and general information 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, 1992 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 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.

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 cooperation by the management and staff of the Kalkrand Village Council during the audit is appreciated.

5. KEY AUDIT FINDINGS

5.1 PROVISIONS

The auditors were unable to confirm provisions amounting to N\$ 2 022 237 (2014) due to lack of supporting documents.

5.2 CAPITAL PROJECT

Supporting documents for payments amounting to N\$ 367 310 (2014) were not submitted for audit purpose.

5.3 GOVERNMENT SUBSIDY

The Council disclosed an amount of N\$ 353 970 as subsidy for the year ended 2014 for demand charges for electricity supply; however the auditors could not trace this amount to the bank statements.

5.4 CONTRACTUAL WORKERS

The financial statements for the year ended 2014 reflected an amount of N\$ 255 088 as contractual workers payments. The auditors could only confirm N\$ 106 800 of this amount, the remaining balance of N\$ 148 288 could not be verified because of lack of supporting documents.

5.5 REPAIRS AND MAINTENANCE

The financial statements for the year ended 2014 reflects an amount of N\$ 88 040 as repairs and maintenance to vehicles. The auditors could only trace an amount of N\$ 4 679 of this amount in the general ledger, the remaining balance of N\$ 83 971 could not be verified.

5.6 PROPERTY, PLANT AND EQUIPMENT

The auditors were unable to confirm the completeness and accuracy of acquisitions to property, plant and equipment amounting to N\$ 101 497 (2015) due to non-submission of supporting documents.

5.7 SUBSISTENCE AND TRAVEL

The auditors were unable to confirm the accuracy of transactions amounting to N\$ 65 866 (2015) due to non-submission of supporting documents.

5.8 LEAVE GRATUITY

The auditors could not confirm the accuracy of leave gratuity, amounting to N\$ 25 289 (2015) due to lack of supporting documents and un-updated leave cards.

RECOMMENDATION

It is recommended that the Council ensure that all source documents are safeguarded and provided for audit purpose.

5.9 CASH AND CASH EQUIVALENT

The audit found an unexplained difference of N\$ 3 522 698 (2015) between the Cash book and the General ledger.

RECOMMENDATION

It is recommended that the Council do reconciliations to avoid misstatements.

5.10 BULK PURCHASES (WATER AND ELECTRICITY)

The audit found unexplained differences amounting to N\$ 552 205 on bulk electricity purchases and N\$ 77 403 on bulk water purchases between the supplier statements and the financial statements. The differences were caused due to the processing of transactions on a cash basis of accounting instead of accrual basis of accounting.

RECOMMENDATION

It is recommended that the Council accounts for transactions on an accrual basis.

5.11 EMPLOYEE COST

A difference of N\$ 56 399 (2015) was found between the final earnings report and the remuneration ledger.

RECOMMENDATION

It is recommended that the Council should ensure that salaries are reconciled to avoid such misstatements.

5.12 CONVENTIONAL ELECTRICITY SALES

Based on the sample selected, it was found that the Council did not charge electricity based on rates of new Gazetted tariffs for the year ended 2015.

5.13 SEWERAGE AND REFUSE

The Council did not charge rates for sewerage and refuse as per approved government gazetted tariffs for the year ended 2015.

RECOMMENDATIONS

It is recommended that the Council should adjust the tariffs accordingly and should always ensure that tariffs are implemented correctly as per approved government gazette.

5.14 SUSPENSE ACCOUNTS

The auditors found that suspense accounts amounting to N\$ 570 325 (2014) were not cleared at the year-end.

RECOMMENDATION

It is recommended that the Council should clear all suspense accounts at year-end.

5.15 LATE PAYMENTS OF STATUTORY DEDUCTIONS

The auditors noted that statutory deduction payments are not made on time and no provision is made for interest and penalties on late payments.

RECOMMENDATION

It is recommended that the Council should ensure that all statutory deductions payments are done on time to avoid penalties and interest.

5.16 PAYE DEDUCTIONS

The audit revealed that PAYE deductions amounting to N\$ 133 140 were not paid over to the Receiver of Revenue. It was also noted that four cheques in respect of PAYE amounting to N\$ 16 295 were stale cheques at the end of the financial year but were not written back.

RECOMMENDATION

It is recommended that the Council should ensure that stale cheques are written back at the end of the financial year.

5.17 BUILD TOGETHER DEBTORS

The audit revealed that Build Together contracts are not signed by the Council officials. There is no system in place to ensure the recoverability of loans and no responsible records are kept on the outstanding loan balances of beneficiaries.

RECOMMENDATION

It is recommended that the Council should ensure that all Build Together contracts are signed by the Council's officials. The Council should implement control measures in order to recover the outstanding balances from the Build Together debtors.

Furthermore, the Council should update its records on the Build Together debtors to reflect the correct outstanding balances.

6. BASIS FOR DISCLAIMER OF AUDIT OPINION

- Unexplained difference amounting to N\$ 3 522 698 between the Cash book and the financial statements in the year ended 2015;
- Provisions amounting to N\$ 2 022 236 (2014) could not be confirmed due to lack of supporting documents;
- Unexplained difference amounting to N\$ 552 205 for electricity and N\$ 77 403 for water (2015);
- Capital Project amounting to N\$ 367 310 (2014) had no supporting documents;
- No supporting documents for Government subsidy amounting to N\$ 353 970 (2014);
- Contractual workers payment amounting to N\$ 183 105 (2014) could not be confirmed due to lack of supporting documents;
- Property, Plant and Equipment amounting to N\$ 101 497 (2015) could not be confirmed due to lack of supporting documents;
- Repairs and Maintenance amounting to N\$ 83 971 (2014) could not be confirmed due to lack of supporting documents; and
- Suspense accounts not cleared amounting to N\$ 570 325 (2014).

7. DISCLAIMER OF AUDIT OPINION:

The accounts of Kalkrand Village Council for the financial years ended 30 June 2014 and 2015, summarized in Annexure A-D were audited by me in terms of provisions of Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992).

Because of the significance of the matters described in the Basis for Disclaimer of 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, September 2016

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

8. FINANCIAL RESULTS

The results of the operations and transactions on the Revenue account for the years 2015 and 2014 were as follows:

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2014				(4 519 634)
General accounts				
- Non-profitable	5 529 437	3 335 778	2 193 659	
- Self-supporting	559 388	2 444 334	(1 884 946)	
Trade accounts				
- Water	1 494 726	767 639	727 087	
- Electricity	958 400	1 173 863	(215 464)	
Surplus/(Deficit) for the year	8 541 951	7 721 614	820 336	820 336
Adjustments and utilisations (See note 10, Annexure D)				(3 699 298)
				(767 616)
Accumulated deficit 30/06/2015				(4 466 914)

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2013				(1 764 409)
General accounts				
- Non-profitable	3 129 610	3 225 169	(95 559)	
- Self-supporting	442 317	1 296 806	(854 489)	
Trade accounts				
- Water	780 375	1 004 760	(224 385)	
- Electricity	1 218 878	1 825 549	(606 671)	
Deficit for the year	5 571 180	7 352 284	(1 781 104)	(1 781 104)
Adjustments and utilisations (See note 10, Annexure D)				(3 545 513)
				(974 121)
Accumulated deficit 30/06/2014				(4 519 634)

9. CURRENT BANK ACCOUNT

	2015	2014	2013
	N\$	N\$	N\$
Cash-book balance at 30 June	(447 411)	-	(40 589)
Outstanding cheques	495 428	-	310 121
Other reconciling items	(39 250)	-	(2 287)
Balance as per bank statement	8 768	-	267 245

*The council did not provide the bank reconciliation for the year ended 2014.

10. INVESTMENTS

On 30 June the investments were as follows:

	2015	2014	2013
	N\$	N\$	N\$
Commercial banks	1 927 411	1 304 304	2 067 616

The investments were allocated as follows between the Funds:

	2015	2014	2013
	N\$	N\$	N\$
Build Together Fund	27 064	26 022	23 147
Fixed Property Fund	1 900 347	1 278 282	2 044 469
	1 927 411	1 304 304	2 067 616

11. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 7 in Annexure D.

12. TRADE ACCOUNTS

12.1 The results of operations were as follows:

	Electricity		Water	
	2015	2014	2015	2014
	N\$	N\$	N\$	N\$
Sales	954 888	667 039	1 488 378	776 586
Cost of sales	(1 100 820)	(1 378 236)	(694 644)	(783 178)
Gross profit/(loss)	(145 932)	(711 197)	(793 734)	(6 591)
Net (expenditure)/income	(69 532)	104 525	(66 647)	(217 793)
Net deficit	(215 464)	(606 672)	(727 087)	(224 384)
Gross profit/(loss) percentages on sales	(15.3%)	(106.6%)	(53.3%)	(0.85%)
Net profit/(loss) percentage on sales	(22.3%)	(91%)	(48.9%)	(28.9%)

	Electricity		Water	
	2014	2013	2014	2013
	N\$	N\$	N\$	N\$
Sales	667 039	705 760	776 586	596 452
Cost of sales	(1 378 236)	(886 282)	(783 178)	(576 538)
Gross profit/(loss)	(711 197)	(180 522)	(6 591)	19 914
Net (expenditure)/income	104 525	(740 224)	(217 793)	(122 681)
Net deficit	(606 672)	(920 746)	(224 384)	(102 767)
Gross profit/(loss) percentages on sales	(106.6%)	(25.6%)	(0.85%)	(3.3%)
Net profit/(loss) percentage on sales	(91%)	(130.5%)	(28.9%)	(17.2%)

12.2 Distribution results were as follows:

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

13. SELF-SUPPORTING SERVICES

13.1 The result for the years under review is as follows:

	Income 2015	Expenses 2015	Surplus/ (deficit) 2015	Surplus/ (deficit) 2014
	N\$	N\$	N\$	N\$
Refuse removal	158 520	284 433	(125 913)	(801 703)
Property administration	321 408	868 081	(546 673)	130 856
Sewerage	51 043	1 291 820	(1 240 777)	(202 903)
Townlands	28 417	-	28 417	19 261
Surplus/(deficit) for the year 2015	559 388	2 444 334	(1 884 946)	(854 489)

The Council should introduce measures to reduce the loss on the loss-making service.

	Income 2014	Expenses 2014	Surplus/ (deficit) 2014	Surplus/ (deficit) 2013
	N\$	N\$	N\$	N\$
Refuse removal	154 928	956 631	(801 703)	(69 688)
Property administration	218 129	87 273	130 856	5 696
Sewerage	49 999	252 902	(202 903)	59 735
Townlands	19 261	-	19 261	18 421
Surplus/(deficit) for the year 2014	442 317	1 296 806	(854 489)	14 164

14. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No such expenditure was noted.

15. SUSPENSE ACCOUNTS

Suspense accounts were not cleared on a regular basis.

16. IRREGULARITIES AND LOSSES

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

17. CAPITAL PROJECTS

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

Nature of projects/ acquisitions	Financed by	Total	Total
	Revenue Account	Expenditure 2015	Expenditure 2014
	N\$	N\$	N\$
General administration	955 180	955 180	32 570
Streets	387 759	387 759	923 892
Sewerage	481 040	481 040	101 896
Electricity	-	-	86 885
Parks	153 256	153 256	384 395
	1 977 235	1 977 235	1 529 638

Nature of projects/ acquisitions	Financed by	Total	Total
	Revenue Account	Expenditure 2014	Expenditure 2013
	N\$	N\$	N\$
General administration	32 570	32 570	843 630
Streets	923 892	923 892	194 861
Sewerage	101 896	101 896	95 084
Electricity	86 885	86 885	731 573
Parks	384 395	384 395	1 395 507
Cleansing services	-	-	40 755
Water	-	-	114 875
	1 529 638	1 529 638	3 416 285

18. BURSARIES

There were no bursaries granted for the year under review.

19. CONTRIBUTIONS, GRANTS AND FINANCIAL AID RECEIVED FROM GOVERNMENT

	2015	2014	2013
	N\$	N\$	N\$
Contribution	4 748 360	2 461 623	2 573 105

20. COMPENSATION PAYMENTS

There were no compensation payments.

21. VISITS TO FOREIGN COUNTRIES

There were no visits to foreign countries.

22. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

23. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

There were no such expenses.

24. TRANSFER OF PROPERTY

There were no transfers of property to/from the Local Authority.

25. TRADE AND OTHER RECEIVABLES/PAYABLES

25.1 Trade and other receivables at 30 June were:

	2015	2014	2013
	N\$	N\$	N\$
Services	6 254 240	4 449 565	3 556 075
VAT	15 642	330 446	-
Build Together Fund	1 453 045	1 453 045	1 453 045
Sundry receivables	92 205	-	17 392
Provision for bad debts	(6 087 253)	(4 037 326)	(3 217 728)
Total	1 727 879	2 195 730	1 808 784

25.2 Trade and other payables at 30 June were:

	2015	2014	2013
	N\$	N\$	N\$
Trade payables	-	-	832 238
Consumer deposits	2 115	2 115	2 115
VAT control	-	-	151 669
Interest and redemption	246 631	246 631	162 660
Suspence accounts	778 510	570 325	512 074
Provisions	2 578 427	2 022 236	40 000
	3 605 683	2 841 307	1 700 756

26. ASSESSMENT RATES

	2015	2014	2013
	N\$	N\$	N\$
Proceeds	-	-	87 472
Tariffs per N\$1 valuation			
- Land	0.0900	0.0900	0.0900
- Improvements	0.0035	0.0035	0.0035

27. LOANS**27.1 External loans**

	2015	2014	2013
	N\$	N\$	N\$
Government of Namibia	-	-	83 971

27.2 Due to the Village Council

There were no loans due to the Council.

27.3 Loans written off

No loans were written off during the year.

28. SALE OF ERVEN

There was no erven sold during the year.

29. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

No property was sold on an instalment basis during the year.

30. TARIFF ADJUSTMENTS

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

31. APPROVALS

All necessary approvals were obtained.

32. INVENTORY AND EQUIPMENT

32.1 Motor vehicle and values thereof

No asset register was available at the Council.

32.2 Inventory

No inventory records were available.

33. SPECIAL INVESTIGATIONS

There were no special investigations disclosed by the Council during the year under review.

**VILLAGE COUNCIL OF KALKRAND
BALANCE SHEET AT 30 JUNE**

	Notes	2015 N\$	2014 N\$	2013 N\$
ASSETS				
NON-CURRENT ASSETS				
		16 517 234	15 553 440	12 091 645
Property, plant and equipment	2	14 589 823	14 249 136	10 024 029
Investments	3	1 927 411	1 304 304	2 067 616
CURRENT ASSETS				
		1 728 879	2 196 730	1 809 784
Trade and other receivables	4	1 727 879	2 195 730	1 808 784
Cash	5	1 000	1 000	1 000
TOTAL ASSETS		18 246 113	17 750 170	13 901 429
FUNDS AND LIABILITIES				
FUNDS AND RESERVES				
		14 167 020	13 695 996	12 076 113
Capital outlay	6	14 589 823	14 249 135	9 940 058
Funds and accounts	7	(422 803)	(553 139)	2 136 055
LONG-TERM LIABILITIES				
	8	-	-	83 971
CURRENT LIABILITIES				
		4 079 093	4 054 174	1 741 345
Bank Overdraft	5	447 411	1 212 866	40 589
Trade and other payables	9	3 631 682	2 841 308	1 700 756
TOTAL FUNDS AND LIABILITIES		18 246 113	17 750 170	13 901 429

ANNEXURE B

**VILLAGE COUNCIL OF KALKRAND
 INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE**

	Note	2015 N\$	2014 N\$	2013 N\$
INCOME		8 507 904	5 493 557	4 487 370
EXPENDITURE		(7 721 614)	(7 352 284)	(5 496 745)
NET OPERATING (DEFICIT)/SURPLUS		786 290	(1 858 727)	(1 009 375)
INVESTMENT INCOME EARNED FOR REVENUE ACCOUNTS		34 046	77 623	48 217
NET (DEFICIT)/SURPLUS FOR THE YEAR		820 336	(1 781 104)	(961 158)
APPROPRIATION ACCOUNT - Adjustments	10	(767 616)	(974 121)	(176 900)
		52 722	(2 755 223)	(1 138 058)
ACCUMULATED FUNDS - Beginning of year		(4 519 634)	(1 764 410)	(626 352)
ACCUMULATED FUNDS - End of year		(4 466 914)	(4 519 634)	(1 764 410)

ANNEXURE C

**VILLAGE COUNCIL OF
KALKRAND
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE**

	Note	2015	2014	2013
		N\$	N\$	N\$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		8 507 904	5 493 557	4 487 370
Cash paid to suppliers		(7 231 004)	(7 572 798)	(5 344 276)
Cash (utilised)/generated by operations	11	1 276 900	(2 079 241)	(856 906)
Investment income		34 046	77 623	48 217
Movement in Fund accounts				
- Increase/(decrease) in Fund accounts		77 616	66 030	56 542
- (Decrease)/increase in Capital outlay		340 688	4 309 077	959 989
Net cash flow from operating activities		1 729 250	2 373 489	207 842
CASH FLOW FROM INVESTING ACTIVITIES				
Net capital income/(expenditure)		(340 687)	(4 225 107)	(956 249)
Decrease/Increase in investments		(623 107)	763 312	1 340 636
		(282 420)	3 461 795	384 387
CASH FLOW FROM FINANCING ACTIVITIES				
Decrease in long-term liabilities		-	(83 971)	(3 740)
		-	(83 971)	(3 740)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(765 455)	1 172 277	588 489
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		(1 211 866)	(39 589)	(628 078)
CASH AND CASH EQUIVALENTS - END OF YEAR		(446 411)	(1 211 866)	(39 589)

VILLAGE COUNCIL OF KALKRAND**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 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.

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

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.

	2015	2014	2013
	N\$	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT			
Property development, vehicles, plant and equipment at cost	14 589 823	14 249 136	10 024 029
3. INVESTMENTS			
Commercial banks	1 927 411	1 304 304	2 067 616
	1 927 411	1 304 304	2 067 616
The investments were allocated as follows between the Funds:			
Build Together Fund	27 064	26 022	23 147
Fixed Property Fund	1 900 347	1 278 282	2 044 469
	1 927 411	1 304 304	2 067 616
4. TRADE AND OTHER RECEIVABLES			
Services	6 254 240	4 449 565	3 556 075
Build Together Fund	1 453 045	1 453 045	1 453 045
Sundry receivables	92 205	-	17 392
VAT	15 642	330 446	-
Provision for bad debts	(6 087 253)	(4 037 326)	(3 217 728)
	1 727 879	2 195 730	1 808 784

VILLAGE COUNCIL OF KALKRAND

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

(continued)

	2015	2014	2013
	N\$	N\$	N\$
5. CASH AND CASH EQUIVALENTS			
Cash on hand	1 000	1 000	1 000
Current bank account	(447 411)	(1 212 866)	(40 589)
	(446 411)	(1 211 866)	(39 589)
6. CAPITAL OUTLAY			
Loans redeemed	-	-	33 586
Revenue contributions	14 519 288	14 155 088	9 905 998
General Capital contributions	70 535	94 047	474
	14 589 823	14 249 135	9 940 058
7 FUNDS AND ACCOUNTS			
Capital Reserve Fund	2 264	2 264	2 263
Renewal Fund	167 206	167 206	167 206
Build Together Fund	1 480 109	1 479 067	1 476 191
Fixed Property Fund	2 394 532	2 317 958	2 254 805
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	(4 466 914)	(4 519 634)	1 764 410)
	(422 803)	(553 139)	2 136 055
8. LONG-TERM LIABILITIS	-	-	83 971

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

	2015	2014	2013
	N\$	N\$	N\$
9. TRADE AND OTHER PAYABLES			
Trade payables	-	-	832 238
Consumer deposits	2 115	2 115	2 115
VAT control	-	-	151 669
Interest and redemption	246 631	246 631	162 660
Suspence accounts	778 510	570 325	512 074
Provisions	2 578 427	2 022 237	40 000
Sundry Creditors	26 000	-	-
	3 631 683	2 841 308	1 700 756
ADJUSTMENTS TO APPROPRIATION			
10. ACCOUNT			
Prior year adjustments	1 943 184	(911 917)	915 929
Prior year adjustments	(2 710 800)	(62 204)	(1 092 829)
	(767 616)	(974 121)	(176 900)

ANNEXURE D

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

	2015	2014	2013
	N\$	N\$	N\$
11 CASH (UTILISED)/GENERATED BY OPERATIONS			
Net operating (deficit)/surplus before transfers	820 334	(1 781 103)	(961 158)
Adjustments for :			
- Adjustments to appropriation account	(767 614)	(974 121)	(176 900)
- Investment income	(34 046)	(77 623)	(48 217)
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL	18 674	(2 832 847)	(1 186 275)
CHANGES IN WORKING CAPITAL			
Change in trade and other receivables	467 851	(386 946)	427 852
Change in trade and other payables	790 375	1 140 552	(98 483)
	1 258 226	753 606	329 369
CASH (UTILISED)/GENERATED BY OPERATIONS	1 276 900	(2 079 241)	(856 906)