



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GOBABIS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

Published by authority

Price (Vat excluded) N\$ 29.00
Report no: 2016/93

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 Municipality of Gobabis for the financial year ended 30 June 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 MUNICIPALITY OF GOBABIS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2015**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Municipality of Gobabis for the financial year ended 30 June 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).

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

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

I certify that I have audited the accompanying financial statements for the Municipality of Gobabis for the financial year ended 30 June 2015. These financial statements comprise of the following:

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

The Municipality'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 submitted on 16 February 2016 instead of three months (3 months) after the year end as required by the Act.

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 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 sufficient and appropriate to provide a basis of the audit opinion.

4. ACKNOWLEDGEMENT

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

5. KEY AUDIT FINDINGS

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

5.1 Understatement of provision for doubtful debts (*)

Provision for bad and doubtful debts as per the financial statements is N\$ 28 688 874 (2014: N\$ 9 374 835). The auditors review and considering the slow debt collection on consumer accounts indicate an under-provision of N\$ 1 268 534 (2014: N\$ 20 117 601). It is acknowledged that a significant portion of debt has been handed over to lawyers for collection but to date, no fruitful recoveries have been made.

5.2 Unsupported adjustments posted to the appropriation account (*)

There were no supporting documents for material adjustments amounting to N\$ 22 169 795 posted to the appropriation account. As a result, the validity of the said adjustments could not be confirmed.

5.3 Inventories (*)

The auditors did not observe the counting of the inventories at year-end. The Municipality's accounting records did not allow verification of physical quantities through alternative means due to the inadequacy of the inventory management system in place.

5.4 Unsupported journals posted to electricity own consumption expense account (*)

The Municipality did not provide meter readings and related workings which formed the basis for electricity expense for own consumption amounting to N\$ 963 769 (2014: N\$ 858 728). As a result, the auditors were unable to verify the validity of reported expenditure.

5.5 Understatement of interest on overdue accounts (*)

Interest on overdue accounts is understated by N\$ 1 474 492 (2014: N\$ 2 016 473) as a result of error in calculation.

5.6 Bank reconciliation

The bank reconciliation for each of the three accounts was manipulated to make them balance as evidenced by omitted outstanding electronic funds transfer payments and unknown items on the reconciliations. In addition, there are unexplained amounts posted to the appropriation account relating to correction of bank balances.

5.7 Overstatement of property, plant and equipment

The Municipality did not depreciate some of the General Capital assets resulting in an understatement of depreciation charges by N\$ 1 792 808 and overstatement of property, plant and equipment by the said amount.

6. BASIS FOR QUALIFIED AUDIT OPINION

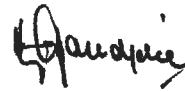
The audit opinion has been qualified due to the following reasons:

- Understatement of the provision for doubtful debts by N\$ 1 268 534;
- Unsupported adjustments posted to the appropriation account amounting to N\$ 22 169 795;
- Lack of supporting documents for physical quantities of inventories;
- Unsupported journals posted to the own electricity consumption expense account;
- Understatement of interest on overdue accounts to the amount of N\$ 1 474 492;
- Omitted outstanding electronic funds transfer payments and unexplained items on bank reconciliations; and
- Overstatement of property, plant and equipment by N\$ 1 792 808.

7. QUALIFIED AUDIT OPINION

The accounts of the Municipality of Gobabis for the financial year ended 30 June 2015, 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 be necessary as referred to in the basis for qualified audit opinion paragraph, in my opinion, the financial statements fairly present the financial position of the Municipality as at 30 June 2015, and the results of its operations and cash flows for the year then ended and in the manner required by the Local Authorities Act, 1992.



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, September 2016

8. 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
Accumulated deficit 01/07/2014	N\$	N\$	N\$	N\$ (2 535 937)
General accounts				
Non-profitable services	36 819 872	42 494 625	(5 674 753)	
Self-supporting services	9 480 084	7 082 975	2 397 109	
Trade accounts				
Water	14 218 718	13 596 346	622 372	
Electricity	40 257 487	40 790 872	(533 385)	
	100 776 161	103 964 818	(3 188 657)	
Deficit for the year				(3 188 657)
Adjustments and appropriations (Note 15, Annexure D)				(22 611 754)
Accumulated deficit 30/06/2015				(28 336 348)

There were no supporting documents for material adjustments amounting to N\$ 22 169 795 posted to the appropriation account. As explained in paragraph 5.2, the appropriation account is qualified.

9. CURRENT BANK ACCOUNT

9.1 Operational account

	2015	2014
	N\$	N\$
Cash-book balance at 30 June	1 546 055	2 529 776
Outstanding deposits	5 000	(228 375)
Outstanding cheques	930 356	120 623
Unknown difference	-	(28 286)
Balance as per bank statement	2 481 411	2 393 738

9.2 Smallerland bank account

	2015	2014
	N\$	N\$
Cash-book balance at 30 June	195 884	173 645
Unknown difference	(20 499)	(20 499)
Balance as per bank statement	175 385	153 146

9.3 Build Together bank account

	2015	2014
	N\$	N\$
Cash-book balance at 30 June	873 586	638 184
Unknown difference	78 864	91 888
Balance as per bank statement	952 450	730 072

The bank reconciliation for each of the three accounts was forced to make them balance. In addition, there are unexplained amounts posted to the appropriation account relating to correction of balances. As explained in paragraph 5.6, the cash and cash equivalents are qualified.

10. INVESTMENTS

The investments as at 30 June 2015 are as follows:

Institution	Investments	
	2015	2014
	N\$	N\$
Invested at:		
Commercial banks	43 792 604	30 711 808
	43 792 604	30 711 808
Distribution		
Smallerland Fund	1 510 211	1 510 211
Build Together Fund	1 425 165	1 425 165
General Capital Fund	37 900 883	21 821 610
Revenue Fund	2 956 345	5 954 822
	43 792 604	30 711 808

11. FUND ACCOUNTS

The position of Funds and Reserves as at year end is shown in note 10 of annexure D.

12. TRADE ACCOUNTS

12.1 Operating results

The results for the financial year under review are as follows:

	Electricity		Water	
	2015	2014	2015	2014
	N\$	N\$	N\$	N\$
Sales	39 907 971	31 378 801	13 856 79	10 195 089
Cost of sales	(29 973 077)	(27 033 805)	(10 093 046)	(9 118 815)
Gross profit	9 934 894	4 344 996	3 763 748	1 076 274
Other expenses	(10 468 279)	(5 681 160)	(3 141 376)	(2 482 207)
NET (DEFICIT)/SURPLUS	(533 385)	(1 336 164)	622 372	(1 405 933)
Gross profit on sales	24.9%	13.8%	27.2%	10.6%
Net profit/(loss) percentage on sales	(1.3%)	(4.3%)	4.5%	(13.8%)

12.2 Distribution results are as follows:

Distribution results, in kilowatt hour (Kw) and cubic metres (m³) are as follows:

	Electricity		Water	
	2015	2014	2015	2014
	Kw	Kw	m ³	m ³
Sold	19 845 646	19 654 601	843 649	752 051
Bought	(24 084 690)	(23 744 530)	(900 833)	(890 684)
Distribution loss	(4 239 044)	(4 089 929)	(57 184)	(138 633)
Loss as percentage of units bought	(17.6%)	(17.2%)	(6.3%)	(15.6%)

The Municipality should conduct an investigation into the distribution losses to determine the main reasons pertaining thereto.

13. SELF-SUPPORTING EXTERNAL SERVICES

The results for the financial year under review are as follows:

	Income	Expenses	Surplus	Surplus /(deficit)
	2015	2015	2015	2014
	N\$	N\$	N\$	N\$
Sewerage	3 885 229	2 930 964	954 265	1 046 127
Sanitation	5 594 855	4 152 011	1 442 844	1 340 072
Ongulumbashe Quarters	-	-	-	(20 109)
	9 480 084	7 082 975	2 397 109	2 366 090

14. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

The audit did not reveal any fruitless, unauthorized or avoidable expenditure that were incurred during the year under review.

15. SUSPENSE ACCOUNTS

The suspense accounts balance amounted to N\$ 325 842 (2014: N\$ 492 270) for the year under review. These accounts are properly maintained, controlled and reconciled on a regular basis.

16. IRREGULARITIES AND LOSSES

16.1 The audit did not reveal any irregularities.

16.2 No losses were reported.

17. CAPITAL PROJECTS

Capital expenditure for the 2015 financial year amounted to N\$ 15 339 877 (2014: N\$ 15 610 506) and comprises the following:

	Financed by: Revenue account	Financed by: General capital	Financed by: Internal loans	Total Expenditure 2015	Total Expenditure 2014
	N\$	N\$	N\$	N\$	N\$
Cemetery	-	-	396 378	396 378	-
Fire Brigade	-	-	-	-	2 497 571
Town Grounds & Pounds	-	-	-	-	20 000
Public buildings	84 988	232 605	-	317 593	1 983 735
Parks and Gardens	-	-	-	-	190 948
Sewerage	337 755	3 550 150	333 899	4 221 804	-
Sanitation	3 000	327 635	1 633 724	1 964 359	104 948
Town Treasurer	553 632	-	649 688	1 203 320	439 240
Streets	228 000	-	-	228 000	3 398 500
Town Engineer	-	813 819	-	813 819	241 804
Single Quarters	-	-	-	-	678 281
Local Economic Development	-	-	-	-	128 696
Water	39 666	2 727 996	181 260	2 948 922	2 060 918
Electricity	199 524	3 046 158	-	3 245 682	3 865 865
	1 446 565	10 698 363	3 194 949	15 339 877	15 610 506

As explained in paragraph 5.7, property, overstatement of plant and equipment is qualified.

18. STUDY LOANS/BURSARIES

No bursaries were granted during the year while study loans granted to staff members amounted to N\$ 77 896 (2014: N\$ 56 005).

19. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No contributions, grants and financial aid were made during the year under review.

20. COMPENSATION PAYMENTS

There were no compensation payments during the year under review.

21. VISITS TO FOREIGN COUNTRIES

There were no visits to foreign countries.

22. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Municipality.

23. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY

Donations of N\$ 4 000 (2014: N\$ 16 420) were paid during the year under review.

24. TRANSFER OF PROPERTY TO/FROM THE GOVERNMENT

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

25. TRADE AND OTHER RECEIVABLES/PAYABLES

25.1 Trade and other receivables at 30 June:

	2015	2014
	N\$	N\$
Trade	34 560 000	31 781 885
Trade – Handed over for collection	4 892 994	5 217 433
Value added taxation	3 037 609	3 721 921
Sundry debtors	4 136 877	1 141 080
Less: Consumer deposits	(1 422 595)	(1 272 832)
	45 204 885	40 589 487
Less: Provision for bad debts	28 688 874	(9 374 835)
	16 516 011	31 214 652

The provision for bad debts is understated by N\$ 1 268 534 (2014: N\$ 20 117 601). As explained in paragraph 5.1, trade and other receivables are qualified.

The average collection period of trade receivables, is 183 days (2014: 216 days). The Council should attend to the arrears as a matter of urgency.

25.2 Trade and other payables at 30 June:

	2015	2014
	N\$	N\$
Trade creditors and other accruals	5 805 614	5 100 120
Provision for leave pay	3 625 181	2 340 293
	9 430 795	7 440 413

26. ASSESSMENT RATES

	2015	2014
	N\$	N\$
The proceeds from assessment rates	10 506 349	8 591 670
Residential		
Tariffs per N\$1 valuation per annum – Site valuation	0.074435	0.067668
Tariffs per N\$1 valuation per annum – Improvements	0.012857	0.011688
Business/Institutional/Industries		
Tariffs per N\$1 valuation per annum – Site valuation	0.0812016	0.067668
Tariffs per N\$1 valuation per annum – Improvements	0.0140256	0.011688

27. LOANS

27.1 External loans

	2015	2014
	N\$	N\$
External loans	4 179 256	4 390 151

27.2 Internal loans

	2015	2014
	N\$	N\$
Internal loans	18 978 970	17 316 484

27.3 Housing loans

On 30 June, the amounts outstanding in respect of loans made from the following funds are as follows:

	2015	2014
	N\$	N\$
Built Together Fund	3 359 032	3 119 993
Smallingerland Fund	3 712 846	4 542 862
Housing Fund	57 146	53 646

28. SALE OF ERVEN

During the current financial year, cash proceeds to the value of N\$ 3 478 390 (2014: N\$ 1 410 976) were received for Erven sold and was allocated to the Fixed Property Fund.

29. PROPERTY SOLD ON AN INSTALMENT BASIS

No information could be obtained with regards to the Erven sold on an instalment basis.

30. TARIFF ADJUSTMENTS

Tariff adjustments were applied in accordance with the relevant Official Government Notices.

31. APPROVALS

There was no evidence of approval of overspending.

32. STOCK AND EQUIPMENT

32.1 Motor vehicles

The Municipality could not provide the auditors with any information.

32.2 Inventory

Inventories comprise of stationery and other consumables amounting to N\$ 4 453 242 (2014: N\$ 4 724 765). As explained in paragraph 5.3, inventories are qualified.

33. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

34. GENERAL

34.1 Internal controls

The accounting and internal controls applied by the Council are reasonable, except where indicated in this report. Proper segregation of duties is feasible but hindered by the small number of staff employed.

35. FORMAL AND INFORMAL QUERIES

35.1 Formal queries are embodied in this report.

35.2 Informal queries were addressed to the Chief Executive Officer.

MUNICIPALITY OF GOBABIS
BALANCE SHEET AS AT 30 JUNE

	Notes	2015 N\$	2014 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2	74 077 786	61 175 433
Investments	3	43 792 604	30 711 808
Secured loans	4	7 129 024	7 716 500
Current assets			
Trade and other receivables	5	16 516 011	31 214 652
Inventories	6	4 453 242	4 724 765
Loans receivable	7	1 248 666	1 216 813
Cash and cash equivalents	8	2 615 985	3 342 065
TOTAL ASSETS		149 833 318	140 102 036
FUNDS AND LIABILITIES			
Funds and reserves			
Capital outlay	9	88 820 443	61 290 408
Funds and accounts	10	47 076 982	66 488 794
Non-current liabilities			
Long-term liabilities	11	4 179 256	4 390 151
Current liabilities			
Trade and other payables	12	9 430 795	7 440 413
Suspense accounts	13	325 842	492 270
TOTAL FUNDS AND LIABILITIES		149 833 318	140 102 036

**MUNICIPALITY OF GOBABIS
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE**

ANNEXURE B

	Note	2015	2014
		N\$	N\$
INCOME		99 700 353	75 998 527
EXPENDITURE		(103 843 018)	(76 273 693)
OPERATING DEFICIT FOR THE YEAR		(4 142 665)	(275 166)
Investments income		1 075 808	602 115
NET (DEFICIT)/SURPLUS FOR THE YEAR		(3 066 857)	326 949
Transfer to Funds	14	(121 800)	(114 200)
		(3 188 657)	212 749
Add : Appropriation and adjustments	15	(22 611 754)	(3 462 998)
DEFICIT FOR THE YEAR		(25 800 411)	(3 250 249)
RETAINED (DEFICIT)/SURPLUS			
30 June 2014		(2 535 937)	714 312
30 June 2015		(28 336 348)	(2 535 937)

MUNICIPALITY OF GOBABIS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

ANNEXURE C

	Note	2015	2014
		N\$	N\$
Cash flows from operating activities			
Cash receipts from customers		99 700 353	75 998 527
Cash paid to suppliers		(109 814 307)	(81 794 572)
Cash utilised by operations	16	(10 113 954)	(5 796 045)
Investments income		1 075 808	602 115
Net cash flows from operating activities		(9 038 146)	(5 193 930)
Cash flows from investing activities			
Increase in property, plant and equipment		(12 902 353)	(12 767 472)
(Increase)/Decrease in investments		(13 080 796)	2 394 490
Decrease/(Increase) in secured loans		587 476	(98 186)
Net cash flows from investing activities		(25 395 673)	(10 471 168)
Cash flows from financing activities			
Increase in Fund accounts		6 388 599	4 516 477
Increase in capital outlay		27 530 035	7 647 946
Decrease in long-term liabilities		(210 895)	(209 803)
Net cash flows from financing activities		33 707 739	11 954 620
Net decrease in cash and cash equivalents		(726 080)	(3 710 479)
Cash and cash equivalents at the beginning of the year		3 342 065	7 052 544
Cash and cash equivalents at the end of the year	8	2 615 985	3 342 065

MUNICIPALITY OF GOBABIS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

1. ACCOUNTING POLICIES

The annual financial statements are compiled in accordance with the historical cost convention, except where otherwise stated.

The principal accounting policies of the Municipality, which are set out below, have been consistently applied and are in accordance with the requirements of the Namibian Local Authorities Act.

1.1 Property, plant and equipment

Fixed assets 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 fully 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 realisable value. The costs of inventories comprise all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

	<u>2015</u>	<u>2014</u>
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Consists of :		
Infrastructure, land and buildings, motor vehicles, office equipment, furniture and fittings and computer equipment, plant and other equipment.	<u>74 077 786</u>	<u>61 175 433</u>
Financed by :		
Loans redeemed	30 325 677	28 004 663
Revenue account	5 863 773	4 953 366
General capital	<u>37 888 336</u>	<u>28 217 404</u>
	<u>74 077 786</u>	<u>61 175 433</u>
3. INVESTMENTS		
Fixed deposits and money on call	<u>43 792 604</u>	<u>30 711 808</u>
<u>Allocated as follows:</u>		
Smallerland Fund	1 510 211	1 510 211
Build Together Fund	1 425 165	1 425 165
General Capital Fund	37 900 883	21 821 610
Revenue Fund	<u>2 956 345</u>	<u>5 954 822</u>
	<u>43 792 604</u>	<u>30 711 808</u>

ANNEXURE D

MUNICIPALITY OF GOBABIS
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	2015	2014
	N\$	N\$
4. SECURED LOANS		
Smallerland Fund	3 712 846	4 542 862
Build Together Fund	3 359 032	3 119 993
Housing Fund	57 146	53 645
	7 129 024	7 716 500
5. TRADE AND OTHER RECEIVABLES		
Trade	34 560 000	31 781 885
Trade – Handed over	4 892 994	5 217 433
Value added tax	3 037 609	3 721 921
Sundry debtors	4 136 877	1 141 080
Less: Consumer deposits	(1 422 595)	(1 272 832)
	45 204 885	40 589 487
<i>Less :</i>		
Provision for doubtful debts	(28 688 874)	(9 374 835)
	16 516 011	31 214 652
6. INVENTORIES		
Consumable stores	4 453 242	4 724 765
	4 453 242	4 724 765
7. LOANS RECEIVABLE		
Study loans	534 152	621 598
Erf loans	696 433	578 685
Personnel loans	18 081	16 530
	1 248 666	1 216 813
8. CASH AND BANK BALANCES		
Current accounts	2 615 525	3 341 605
Petty cash	460	460
	2 615 985	3 342 065
9. CAPITAL OUTLAY		
Financing of capital		
Loans	7 167 451	6 298 028
Revenue contributions	5 207 107	4 296 700
General Capital contributions	76 445 884	50 695 680
	88 820 442	61 290 408

ANNEXURE D

MUNICIPALITY OF GOBABIS
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	2015	2014
	N\$	N\$
10. FUNDS AND ACCOUNTS		
HIV/AIDS Small Grant Fund	1 905	1 905
Betterment Fund	1 072 836	995 529
Build Together Fund	6 246 522	5 832 872
Capital Reserve Fund	15 533 857	14 426 119
Fixed Property Fund	38 135 768	33 264 858
Housing Fund	3 077 571	2 842 725
Renewal Fund	2 113 865	2 031 845
Sanitation Revolving Fund	172 545	162 495
Smallerland Fund	8 139 447	8 489 923
Study Loan Fund	534 151	621 597
Tariff Stabilization Fund	384 863	354 863
	<u>75 413 330</u>	<u>69 024 731</u>
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	<u>(28 336 348)</u>	<u>(2 535 937)</u>
	<u>47 076 982</u>	<u>66 488 794</u>
11. LONG-TERM LIABILITIES		
External loans	4 179 256	4 390 151
	<u>4 179 256</u>	<u>4 390 151</u>
12. TRADE AND OTHER PAYABLES		
Trade creditors	5 805 614	5 100 120
Provision for leave pay	3 625 181	2 340 293
	<u>9 430 795</u>	<u>7 440 413</u>
13. SUSPENSE ACCOUNTS		
Sale of houses	174 126	174 126
Deposits	52 388	236 606
Rental in advance	99 328	81 538
	<u>325 842</u>	<u>492 270</u>
14. TRANSFER TO FUNDS		
Capital Reserve Fund	(91 800)	(99 200)
Tariff Stabilization Fund	(30 000)	(15 000)
	<u>(121 800)</u>	<u>(114 200)</u>

ANNEXURE D

MUNICIPALITY OF GOBABIS

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

	2015	2014
	N\$	N\$
15. APPROPRIATIONS AND ADJUSTMENTS		
Prior year adjustments	(43 354 177)	(3 607 774)
Adjustments	-	(996)
Prior year adjustments	20 742 423	145 772
	(22 611 754)	(3 462 998)
16. CASH (UTILISED IN)/GENERATED BY OPERATIONS		
Net operating (deficit)/surplus	(3 066 857)	326 949
Appropriations and adjustments	(22 611 754)	(3 462 998)
Transfers to Funds	(121 800)	(114 200)
Investments income	(1 075 808)	(602 115)
16.1 Operating deficit before changes in working capital	(26 876 219)	(3 852 364)
Changes in working capital		
Increase in trade and other payables	1 990 382	1 689 623
Decrease in inventories	271 523	377 691
Increase in loans receivable	(31 853)	(206 931)
(Decrease)/Increase in suspense accounts	(166 428)	186 305
Decrease/(Increase) in trade and other receivables	14 698 641	(3 990 368)
	16 762 265	(1 943 680)
	(10 113 954)	(5 796 044)