



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

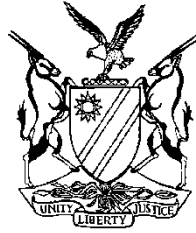
TOWN COUNCIL OF ARANOS

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2013 AND 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 Town Council of Aranos for the financial year ended 30 June 2013 and 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.

WINDHOEK, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE TOWN COUNCIL OF ARANOS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2013 AND 2014**

1. INTRODUCTION

This report on the accounts of the Town Council of Aranos for the financial years ended 30 June 2013 and 2014 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991(Act 31 of 1991), as amended.

I have audited the accompanying financial statements of the Town Council of Aranos for the financial years ended 30 June 2013 and 2014. These financial statements are not in agreement with the general ledger and comprise of the following statements submitted for the years then ended:

Figures in the report are rounded off to the nearest Namibia dollar. Defficit are indicated in (brankets).

Annexure:A	Abridged Balance Sheet
Annexure:B	Abridged Income Statement
Annexure:C	Cash Flow Statement
Annexure:D	Notes to financial statement and general information

The financial statements were submitted by the Accounting Officer to the Auditor-General in terms of Section 13 of the State Finance Act, 1991.

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 87 (1) of the Local Authorities Act, 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. KEY AUDIT FINDINGS

4.1 PROVISION FOR BAD DEBTS (2014)

The auditors' calculation revealed that provisions for doubtful debts was overstated with an amount of N\$ 756 996.

Recommendation

The Council is recommended to ensure corrective action is taken in ensuring that provision for doubtful debts is restated correctly in future.

Management comment

The situation will be corrected to make provision as per credit control policy to deduct the oldest debt first. However for the financial years in question, 30 days and current debt was also included as bad debt.

4.2 HOUSING FUND

At the time of the audit, the Council could not provide the auditors with the rental contracts entered into with the social housing home owners.

Recommendation

The Council is encouraged to ensure that all supporting evidence is safeguarded and availed for audit purposes.

Management comment

The office is still in disarray after the moving to the newly constructed building. We will still search for the agreements and send them as soon as they are located.

4.3 RECEIVABLES

The auditors observed that the Council held a guarantee of N\$ 93 000 on its debtors ledger. This amount was however not reflected in the financial statements nor could the Council provide evidence to substantiate this claim. Furthermore the auditors observed that Build Together Project agreements from a sample selected were not signed by the contracting parties.

Recommendation

The Council is recommended to ensure that all supporting evidence is safeguarded and availed for audit purposes. Furthermore, the Council should ensure that all parties to the Build Together Project sign the contracts as soon as possible to avoid possible risks of financial loss the Council might be exposed to.

Management comment

The guarantee was a requirement demanded by NamPower to enable the Council to open a bulk supplier account that was needed after the Council constructed an electricity line to the abattoir 4 km outside of Aranos. The Aranos abattoir is the Council's only electricity debtor, unlike the rest of Aranos that is supplied by SELCO under the agreement held with Southern Electricity Company (SELCO).

4.4 TRADE AND OTHER PAYABLES

The auditors were unable to confirm Government loans to the value of N\$ 2 305 870 (2013) and N\$ 2 464 753 (2014) as reflected in the financial statements due to non-submission of supporting documents.

Recommendation

The Council is recommended to avail all supporting documents during the audit for audit purposes.

Management Comment

The Ministry of Finance was only able to provide loan statements on all the loans held by the Council. However, when the loans were issued, the agreements thereto the custodians of the Council's finances was the Ministry of Regional, Local Government, Housing and Rural Development. The original loan documents were never in the custody of the Council and after decentralization in 1999, no loans were acquired by the Council from the Ministry of Finance. Council is in negotiations with the Ministry of Finance to work out a payment schedule that will redeem the loans.

4.5 Trade Payables (2014)

It was observed that the financial statement only reflected an amount of N\$ 51 414 as its trade payables, but the auditors calculation revealed a different amount of N\$ 1 806 289. Thus, an unexplained difference of N\$ 1 754 875 was observed between the financial statements and the audited amount.

Recommendation

It is recommended that the Council should ensure that all year end trade creditors are reconciled on a monthly basis to avoid misstatements in the financial statement.

5. ACKNOWLEDGEMENT

The assistance and cooperation by the management and staff of the Town Council of Aranos during the audit is appreciated.

6. BASIS FOR DISCLAIMER OF AUDIT OPINION

I am unable to express an opinion due to the following:

- Provisions for doubtful debts was overstated with N\$ 756 996;
- Rental contracts entered into with the social housing home owners were not submitted for audit purposes;
- Build together contracts are not signed;
- Government loans to the value of N\$ 2 305 870 (2013) and N\$ 2 464 753 (2014) could not be confirmed due to non-submission of supporting documents;
- Trade payables was understated by N\$ 1 754 875; and
- The Council did not disclose a guarantee held on its debtors amounting to N\$ 93 000 in the financial statements.

7. DISCLAIMER OF AUDIT OPINION:

The accounts of the Aranos Town Council for the financial year ended 30 June 2013 and 2014 summarised in annexures A to D were audited by me in terms of Section 85 of the local Authorities Act, 1992, read with Section 25(1)(b) of the State Finance Act, 1991.

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, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

8. FINANCIAL RESULTS

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

2014

	Revenue	Expenditure	Surplus / (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus on 01/07/2013				3 098 722
General accounts				
- Non-profitable services	8 430 116	10 633 092	(2 202 976)	
- Self-supporting services	3 036 124	2 064 907	971 217	
- Rates and Taxes	911 094	18 014	893 080	
Trade accounts				
- Electricity	3 193 501	1 560 036	1 633 465	
- Water	2 763 698	3 470 729	(707 031)	
Surplus for the year	18 334 533	17 746 780	587 753	587 753
Adjustments and utilisations (See Note 10, Annexure D)				3 686 475 (1 425 945)
Accumulated surplus on 30/06/2014				2 260 530

2013

	Revenue	Expenditure	Surplus / (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus on 01/07/2012				446 784
General accounts				
- Non-profitable services	4 741 181	4 274 930	466 251	
- Self-supporting services	2 349 122	2 045 099	304 023	
- Rates and Taxes	681 259	182 679	498 580	
Trade accounts				
- Electricity	2 922 910	1 558 731	1 364 179	
- Water	5 770 368	6 451 940	(681 572)	
Surplus for the year	16 464 840	14 513 379	1 951 461	1 951 461
Adjustments and utilisations (See Note 10, Annexure D)				2 398 245 700 477
Accumulated surplus on 30/06/2013				3 098 722

A difference of N\$ 893 568 was found between the adjustment as per financial statements (N\$ 1 594 045) and the auditors calculation (N\$ 700 477).

	Revenue	Expenditure	Surplus / (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit on 01/07/2011				(2 912 344)
General accounts				
- Non-profitable services	1 304 974	4 205 110	(2 900 136)	
- Self-supporting services	2 777 985	1 991 970	786 015	
- Rates and Taxes	936 836	305 959	630 877	
Trade accounts				
- Electricity	2 346 025	1 166 078	1 179 947	
- Water	10 387 552	5 746 250	4 641 302	
Surplus for the year	17 753 372	13 415 322	4 338 005	4 338 005
Adjustments and utilisations (See Note 10, Annexure D)				1 425 661 (978 877)
Accumulated Surplus on 30/06/2012				446 784

9. CURRENT BANK ACCOUNT

	2014	2013	2012
	N\$	N\$	N\$
Cash-book balance at 30 June	590 615	810 998	(22 675)
Outstanding cheques	72 557	254 162	259 821
Advanced receipts	-	-	1 581
Adjustments	(462 772)	(401 922)	4 389
Balance as per bank statement	200 400	663 238	243 116

10. INVESTMENTS

The investments as at 30 June were as follows:

	2014	2013	2012
	N\$	N\$	N\$
Commercial banks	6 123 874	7 668 479	4 945 380
	6 123 874	7 668 479	4 945 380
The investments were allocated as follows:			
Fixed Property Fund	1 009 908	1 009 908	1 009 908
Housing Fund	128 895	101 534	101 534
Build Together Fund	861 765	789 180	425 167
Capital Fund	67 106	67 106	67 106
Social Housing Project	99 252	99 252	-
Staff Benefits Fund	1 082 305	846 297	-
Bank account investment	2 874 643	4 755 202	3 341 664
	6 123 874	7 668 479	4 945 380

11. TRADE ACCOUNTS

11.1 The results of operations were as follows:

	2014	2013	2012
Electricity	N\$	N\$	N\$
Sales and royalties	2 764 341	2 410 653	2 183 198
Cost of bulk purchases	(1 330 873)	(1 257 755)	(1 030 303)
Gross profit	1 433 468	1 152 898	1 152 895
Nett income - normal operations	232 387	328 941	270 552
Nett surplus / (loss) before capital expenditure	1 665 855	1 481 839	1 423 447
Less: Capital expenditure	32 389	(117 660)	-
Nett surplus / (loss) for the year	1 633 465	1 364 179	1 423 447
Gross profit % on bulk purchases	107.71 %	91.66 %	111.90%
Nett surplus before capital expenditure % on bulk purchases	125.17 %	117.82 %	138.16%
Water			
Sales	2 150 943	2 111 698	1 805 095
Cost of bulk purchases	(1 245 958)	(1 648 050)	(1 158 059)
Gross profit	904 985	463 648	647 036
Nett income - other	(1 612 016)	(1 145 223)	3 994 265
Net surplus/(loss) for the year	(707 031)	(681 575)	4 641 301
Gross profit % on bulk purchases	72.63 %	28.13	55.87%
Nett surplus / (loss) before capital expenditure % on bulk purchases	(56.75) %	(41.36)	400.78%

12. DISTRIBUTION LOSSES

The Council did not keep statistics of distribution losses.

13. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

No such expenditure was revealed during the audit.

14. SELF-SUPPORTING SERVICES

The results for the years under review were as follows:

Service	Income 2014	Expenses 2014	Surplus/ (deficit) 2014	Surplus / (deficit) 2013
	N\$	N\$	N\$	N\$
Street, roads and storm water	630 604	279 542	351 062	456 739
Townlands and pound	49 546	38 415	11 131	34 410
Housing	638 756	356 016	282 740	(300 305)
Natis	331 551	138 216	193 335	199 803
Cleansing services	675 085	569 619	105 466	(17 094)
Sewerage	710 582	683 099	27 483	(69 530)
	3 036 124	2 064 907	971 217	304 023

Service	Income 2013	Expenses 2013	Surplus/ (deficit) 2013	Surplus/ (deficit) 2012
	N\$	N\$	N\$	N\$
Street, roads and storm water	615 415	158 676	456 739	88 673
Townlands and pound	36 926	2 516	34 410	1 836
Housing	144 942	445 247	(300 305)	88 695
Natis	344 303	144 500	199 803	175 199
Cleansing services	581 619	598 713	(17 094)	132 367
Sewerage	625 917	695 447	(69 530)	299 245
	2 349 122	2 045 099	304 023	786 015

15. SUSPENSE ACCOUNTS

No suspense accounts are carried in the accounts.

16. IRREGULARITIES AND LOSSES

The auditors did not find any irregularities and losses for the years under review.

17. CAPITAL PROJECTS

	2014	2013	2012
	N\$	N\$	N\$
Expenditure:			
Streets and roads	-	-	4 280 602
General administration	-	163 913	146 647
	-	163 913	4 427 249
Financed by:			
Revenue account	-	163 913	4 427 249
	-	163 913	4 427 249

According to the financial statements (votes) expenses of a capital nature amounted to N\$ 6 540 074: 2014; N\$ 606 665 : 2013; and N\$ 607 146: 2012. According to the fixed asset register, these amounts should have been N\$ 8 202 216: 2014 and N\$ 4 143 856: 2013 respectively.

This results in a difference of (N\$ 1 662 142) : 2012 and (N\$ 3 536 710) : 2013. The Council should look into this difference and rectify this issue.

18. BURSARIES

No bursaries were granted during the years.

19. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No compensation payments were allocated or paid during the years under review.

20. COMPENSATION PAYMENTS

No compensation payments were made during the years under review.

21. VISITS TO FOREIGN COUNTRIES

Council did not pay for any visits to foreign countries during the years under review.

22. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

23. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

No gifts and donations were allocated or paid during the years.

24. TRANSFER OF PROPERTY

No transfer of property has been made to / from Local Authority for the periods under review.

25. TRADE AND OTHER RECEIVABLES

	2014	2013	2012
	N\$	N\$	N\$
Build Together Fund receivables	2 188 038	2 301 535	3 914 137
Services, rates and taxes	6 627 291	5 112 087	4 650 353
Provision for bad debts	(6 316 538)	(4 801 334)	(4 339 600)
VAT claims	1 457 402	860 090	841 328
Other receivables	374 625	349 956	691 829
	4 330 818	3 822 334	5 758 047

26. TRADE AND OTHER PAYABLES

	2014	2013	2012
	N\$	N\$	N\$
Loan instalments in arrears	2 464 753	2 305 870	2 146 988
Trade payables	51 414	945 788	1 330 514
Consumer deposits	30 281	26 243	20 535
Sundry creditors	-	82 418	100 500
Provisions for leave	-	-	444 119
Regional Council	37 022	23 771	11 784
	2 583 470	3 384 090	4 054 440

27. ASSESSMENT RATES

	2014	2013	2012
	N\$	N\$	N\$
Proceeds from assessment rates	911 094	681 259	936 836

28. LOANS

28.1 External loans

	2014	2013	2012
	N\$	N\$	N\$
Balance on loans			
- Capital section	912 950	978 379	962 598
- Housing Fund	-	-	1 287
Namibia Housing Enterprises	-	-	74 319
	912 950	978 379	1 038 204
Instalments and interest in arrears	2 464 753	2 305 870	2 146 988
Total outstanding	3 377 703	3 284 249	3 185 192

No repayments were done on the loans from Government but are provided for under current liabilities as instalments and interest in arrears.

28.2 Due to the Town Council

No loans were due to the Town Council. Advances in terms of the housing fund are reflected as debtors.

28.3 Loans written off

No loans were written off during the years under review.

29. SALE OF ERVEN

Due to unavailability of a sale of erven register, this information was not available.

30. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

Properties were sold on credit in terms of the Build Together Scheme for the years under review, but the value thereof could not be provided by the Council.

31. TARIFF ADJUSTMENTS

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

32. APPROVALS

32.1 Internal loans

No further internal loans were granted during the years under review.

32.2 Revenue written off

No revenue was written off during the years under review.

33. INVENTORY AND EQUIPMENT

34.1 Motor vehicles

2013	Sedan Vehicles		LDV's and Kombi's		Heavy vehicles (Lorries and busses)	
	Number	Value	Number	Value	Number	Value
On hand 01/07/2012	2	N\$ 23 983	3	N\$ 828 000	6	N\$ 1 104 300
Acquisitions	-	-	-	-	-	-
Depreciation	2	23 983 (21 690)	3	828 000 (129 000)	6	1 104 300 (214 900)
On hand 30/06/2013	2	2 293	3	699 000	6	889 400
2014						
On hand 01/07/2013	2	2 293	3	699 000	6	889 400
Acquisitions	-	-	-	-	-	-
Depreciation		2 293 (2 292)	-	699 000 (129 000)	-	889 400 212 499
On hand 30/06/2014	2	1	3	570 000	-	676 901

These figures were obtained from the fixed asset register.

34.2 Inventory

No inventory was disclosed in the financial statements nor were any records available for the years under review.

35. FORMAL AND INFORMAL QUERIES

35.1 Formal queries are embodied in this report.

35.2 Informal queries were discussed with the Town Council.

TOWN COUNCIL OF ARANOS

BALANCE SHEET AS AT 30 JUNE

	Notes	2014 N\$	2013 N\$	2012 N\$
ASSETS				
Non-current assets		29 227 594	23 383 672	17 475 372
Property, plant and equipment	2	23 103 720	15 715 193	12 529 992
Investments	3	6 123 874	7 668 479	4 945 380
Current assets		7 583 795	7 295 694	6 914 714
Trade and other receivables	4	4 330 818	3 822 334	5 758 047
Build Together Projects in progress		2 658 824	2 658 824	1 153 129
Cash balances	5	594 153	814 536	3 538
TOTAL ASSETS		36 811 389	30 679 366	24 390 086
EQUITY AND LIABILITIES				
Capital and reserves		33 314 969	26 316 897	19 274 767
Capital outlay	6	22 190 770	14 736 815	11 493 076
Funds and accounts	7	11 124 199	11 580 082	7 781 691
Long-term liabilities	8	912 950	978 379	1 038 204
Current liabilities		2 583 470	3 384 090	4 077 115
Bank overdraft		-	-	22 675
Trade and other payables	9	2 583 470	3 384 090	4 054 440
TOTAL EQUITY AND LIABILITIES		36 811 389	30 679 366	24 390 086

TOWN COUNCIL OF ARANOS

INCOME STATEMENT AS AT 30 JUNE

	Notes	2014 N\$	2013 N\$	2012 N\$
Income	13	18 102 430	16 274 182	17 597 691
Expenditure	14	17 746 779	14 513 379	13 415 368
Net operating profit / (loss)		355 651	1 760 803	4 182 323
Investment income	15	232 102	190 658	155 681
Net profit / (loss) for the year		587 753	1 951 461	4 338 004
Adjustments through accumulated funds account	10	(1 425 945)	700 477	(978 877)
		(838 192)	2 651 938	3 359 127
Accumulated funds				
Beginning of the year		3 098 722	446 784	(2 912 344)
End of the year	7	2 260 530	3 098 722	446 784

TOWN COUNCIL OF ARANOS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Notes	2014	2013	2012
		N\$	N\$	N\$
Cash flow/(outflow) from operating activities				
Cash receipts from customers		18 727 742	16 500 028	17 597 691
Cash paid to suppliers		(20 957 155)	(12 870 533)	(13 077 164)
Cash generated by operations	11	(2 229 413)	3 629 495	4 520 527
Investment income	15	232 102	190 658	155 681
Movement in fund accounts				
Fund accounts	12	344 848	217 698	426 653
Housing and Build Together grant				-
		(652 463)	4 037 851	4 629 374
Cash flow from investing activities				
Net capital expenditure	11	(46 997)	(421 253)	(146 647)
Change in investments		1 544 606	(2 723 099)	(4 036 894)
		1 041 823	(3 144 353)	(4 183 541)
Cash flow from financing activities				
Change in long-term loans		(65 429)	(59 825)	(52 738)
Net movement in cash and cash equivalents		(220 383)	833 673	(393 095)
Cash and cash equivalents				
Beginning of the year		814 536	(19 137)	373 958
Cash and cash equivalents				
End of the year		594 153	814 436	(19 137)

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE

1. Accounting policies

The annual financial statements have been prepared on the historical cost basis and incorporate the following accounting policies which are consistent with those applied in the previous year.

The financial statements are prepared on a going-concern basis.

1.1 Property, plant and equipment

Property, plant and equipment are stated at cost or valuation where assets have been acquired by grant or by donation.

1.2 Investments

Investments are reflected at face value.

1.3 Trade receivables

Accounts receivable are recorded at originated cost less an allowance for bad debts.

1.4 Cash and cash equivalents

It consist of cash on hand and the current account with banks, all of which are available for immediate use by Council.

1.5 Trade and other payables

All financial liabilities are recorded at cost.

1.6 Internal Funds

Internal Funds were created as follows by Council:

Fixed Property Fund

Proceeds from the sale of land that have been developed by the Aranos Town Council, accumulates in this fund. Costs incurred on the development of land are charged to this fund.

Housing Fund

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

Capital Reserve Fund

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

Build Together Fund

The purpose of the Fund is to enable the poorer part of the population to acquire affordable housing. Income is derived from Government contributions, redemption payments and interest.

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE

	2014	2013	2012
	N\$	N\$	N\$
2. Property, plant and equipment			
Property development, vehicles, plant and equipment	23 103 720	15 715 193	12 529 992
3. Investments			
Commercial banks	6 123 874	7 668 480	4 945 380
The investments were allocated as follows:			
Housing Fund	128 895	101 534	101 534
Capital Reserve Fund	67 106	67 106	67 106
Fixed Property Fund	1 009 908	1 009 908	1 009 908
Social Housing Project	99 252	99 252	-
Staff Benefit Fund	1 082 305	846 297	-
Build Together Fund	861 765	789 180	425 167
Bank account investments	2 874 643	4 755 202	3 341 664
Total	6 123 874	7 669 479	4 945 380
4. Trade and other receivables			
Build Together Fund receivables	2 188 038	2 301 535	3 914 137
VAT claims	1 457 402	860 090	841 328
Services, rates and taxes - Consumers	6 627 291	5 112 087	4 650 353
Other receivables SELCo/NATIS	374 625	349 956	691 829
Provision for bad debts	(6 316 538)	(4 801 334)	(4 339 600)
	4 330 818	3 822 334	5 758 047
5. Cash and bank			
Cash on hand	3 538	3 538	3 538
Bank account	590 615	810 998	-
	594 153	814 536	3 538
6. Capital outlay			
General capital contributions	920 005	1 213 992	1 540 482
Loans redeemed	701 612	636 184	577 646
Revenue contributions	20 569 153	12 886 639	9 374 947
	22 190 770	14 736 815	11 493 075

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE

	2014	2013	2012
	N\$	N\$	N\$
7. Funds and accounts			
Build Together Fund	6 476 203	6 357 263	6 157 646
Capital Reserve Fund	67 106	67 106	67 106
Fixed Property Fund	1 009 908	1 009 908	1 009 908
Housing Fund	128 895	101 534	100 247
Social Housing Project	99 252	99 252	-
Staff Benefits Fund	1 082 305	846 297	-
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	2 260 530	3 098 722	446 784
	11 124 199	11 580 082	7 781 691
8. Long-term liabilities			
Namibia Housing Enterprises	-	-	74 319
The Government of Namibia			
Capital section	912 950	978 379	962 598
Housing Fund	-	-	1 287
Finance agreements			-
	912 950	978 379	1 038 204
9. Trade and other payables			
Loan instalments in arrears	2 464 753	2 305 870	2 146 988
Trade payables	51 414	945 788	1 330 514
Consumer deposits	30 281	26 243	20 535
Sundry creditors	-	82 418	100 500
Provisions for leave	-	-	444 119
Regional Council	37 022	23 771	11 784
	2 583 470	3 384 090	4 054 440
10. Adjustments through accumulated funds account			
Adjustments	(1 425 945)	700 477	(978 877)
	(1 425 945)	700 477	(978 877)

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE

	2014	2013	2012
	N\$	N\$	N\$
11. Cash generated by operations			
Net surplus / (deficit) for the year	(587 752)	1 760 803	1 760 803
Adjustments to appropriation account	(1 425 945)	700 477	(987 877)
Additions to fixed assets expensed	46 997	421 253	146 647
Hire purchase redemption expensed	65 428	58 538	52 443
Operating cash flow before changes in working capital	(1 901 272)	3 834 639	3 549 217
Trade and other receivables	(508 484)	1 935 713	(837 795)
Unexplained adjustment	143 6649	35 188	-
Build together projects in progress:	-	(1 505 695)	(1)
Trade and other payables	(800 620)	(670 350)	976 909
Cash generated by operations	(3 210 376)	3 594 307	3 688 330

12. Funds accounts

Build Together & fixed property grants from GRN	79 982	9 529	147 151
Sundry income	125 175	21 567	118 830
Sundry expenses	(2 457)	(2 731)	(1 508)
Interest received	142 148	189 333	162 180
Servicing of properties	-	-	-
	344 848	217 698	426 653

13. Expenditure

General administration	2 619 114	1 155 246	336 599
Council's general expenses	588 992	46 412	285 468
Workshop	1 024 336	114 000	40 000
Cemeteries	9 610	172 597	34 912
Fire Brigade	179 555	174 307	138 575
Licenses	37 398	4 928	2 783
Sewerage Farm	2 396	-	-
Sport grounds & parks	234 053	1 650	-
Streets, roads & stormwater	279 542	615 415	339 660
Public buildings	5 937 639	3 072 040	310 957
Townlands and found	38 415	36 926	8 979
Housing	356 016	144 942	792 261
Unexplained Journal	980 963	35 188	-

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE

	2014	2013	2012
	N\$	N\$	N\$
NATIS	138 46	344 303	318 423
Assessment rates	18 015	681 259	936 836
Cleansing services	569 619	581 619	614 780
Sewerage	683 099	625 917	614 780
Electricity	1 560 036	2 922 910	2 346 025
Water	3 470 729	5 770 368	10 387 552
Total Income	17 746 779	16 5000 28	17 597 691
14. Income			
General administration	752 415	2 454 571	1 993 161
Council's general expenses	50 055	498 844	723 108
Workshop	29 000	933 714	801 993
Cemeteries	18 931	15 964	17 997
Fire Brigade	176 396	113 545	108 976
Licenses	1 050	111 837	69 957
Sewerage farm	-	18 805	61 873
Sport grounds & parks	221 145	100 401	91 548
Streets roads and storm water	630 604	158 676	250 987
Public buildings	7 181 123	27 347	336 498
Town lands and pound	49 546	2 516	7 143
Housing	638 756	445 247	703 566
NATIS	331 551	144 500	143 224
Assessment rates	911 094	182 679	305 959
Cleansing services	675 085	598 714	482 413
Sewerage	710 582	695 447	404 637
Electricity	3 193 501	1 558 731	1 166 078
Water	2 763 698	6 451 940	5 746 250
Total Expenditure	18 334 532	14 513 478	13 415 368
15. Investment income			
Interest on Investments	232 102	190 658	155 681