



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

TOWN COUNCIL OF OPUWO

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 Town Council of Opuwo 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, November 2016

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE TOWN COUNCIL OF OPUWO
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

The accounts of the Town Council of Opuwo for the year ended 30 June 2015 are being reported on in accordance with the provisions set out in Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992).

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

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

I certify that I have audited the accompanying financial statements of Opuwo Town Council 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 Town Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 87 (1) of the Local Authorities Act, 1992.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as: 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, (Act 23 of 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 co-operation given by the management and staff of the Town Council during the audit is appreciated.

5. KEY AUDIT FINDINGS

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

5.1 Unexplained adjustments

The FINSTEL trial balance was not balancing by N\$ 13 428 773. The adjustments which the Town Council passed in preparing the financial statements were not availed to the auditors for verification. The closing balances per ledger were not agreeing with the financial statements.

5.2 Build Together (Housing) and Fixed Property Fund (*)

No reconciliations were provided for the Housing and Fixed Property Funds.

Interest on investments to the value of N\$ 74 705 was not credited to the Build Together Fund.

The information pertaining to the loans for the Build Together Fund is not captured in the general ledger; as a result, the Town Council is likely to suffer financial losses if these records are destroyed.

5.3 Property, plant and equipment (*)

Fixed assets register for the 2014/2015 financial year was not updated, thus the auditors could not verify fixed assets.

Fixed assets amounting to N\$ 28 849 275 do not appear in the general ledger of the Town Council.

5.4 Appropriation Account

Adjusting journal amounting to N\$ 9 791 840 was passed in the appropriation account in the financial statements but was not passed in the general ledger of the Town Council. The Town Council could not provide the auditors with the journal passed and supporting documentation.

5.5 Trade creditors and provisions (*)

No creditor's reconciliations were prepared by the Town Council during the year under review, hence the auditors were unable to confirm sundry creditors amounting to N\$ 533 685.

The Town Council did not accrue Namwater invoice for June amounting to N\$ 249 378 resulting in an understatement of creditors in the financial statements.

The auditors were not able to verify whether creditors amounting to N\$ 138 975 were raised in the financial statements as the Town Council could not provide the breakdown of creditors balance at year end.

The Town Council does not maintain a leave register; therefore, auditors were unable to recalculate leave provision.

5.6 Trade Debtors and provision (*)

The Council does not have an effective debt collection policy in place; this may compromise its cash flows.

The Auditors were unable to confirm sundry debtors amounting to N\$ 222 776 as debtors listing was not provided.

Provision for bad debts provided in the financial statements for 2014/2015 of N\$ 3 500 000 was inadequate.

Unknown deposits amounting to N\$ 1 324 325 were allocated to trade debtors as no reconciliations were performed.

5.7 Cash and cash equivalent

The Town Council could not explain the difference of N\$ 718 624 between the Cash Book and the Financial Statements due to non-performance of bank reconciliation.

An amount of N\$ 1 841 840 paid to a supplier which was processed by the bank in November 2014 was still appearing on the list of outstanding payments at year end.

An adjustment of N\$ 1 293 259 on the bank reconciliation could not be explained by the Town Council.

5.8 Income (*)

The Council could not provide supporting documentation for the following revenue accounts:

- Sale of Erven- N\$ 583 828;
- Roads Authority Subsidy - N\$ 434 235;
- Sewerage basic –N\$ 265 965;
- Sewerage Additional –N\$ 496 378;
- Sundry income –N\$329 298;
- Contribution- Central Government - N\$ 1 000 000;
- Central Government Otuzemba - N\$ 500 000; and
- Government contribution TIPEEG Sewerage - N\$ 3 375 000.

Interest earned from investments to the value of N\$ 686 464 was not disclosed in the income statement.

5.9 Expenditure

Leave gratuity amounting to N\$ 50 860 was paid however no PAYE was deducted and was not approved by the Council.

A loan receivable to the value of N\$ 167 000 was expensed although the Town Council expected the funds to be paid back.

5.10 Inventory (*)

No inventories for store materials are reflected in the financial statements of the Council. The auditors were unable to calculate the estimated value on hand at 30 June 2015 of inventory due to poor record keeping at the Town Council.

5.11 Customer deposits (*)

There were no consumer deposits disclosed in the financial statements and also no indication that consumers pay deposits. There was also no sufficient evidence to indicate which consumer paid their water deposits.

5.12 Pay-As-You-Earn (*)

The Pay-As-You-Earn returns for the months of April and June 2015 were lodged to the Receiver of Revenue after the due dates. This is in contravention of the Income Tax Act and the Town Council may suffer penalties and interest charges levied on these non-compliances.

5.13 Value Added Tax (*)

The calculation of VAT based on opening balance, returns for the year and refunds received differed with N\$ 7 037 654 from the general ledger balance.

The VAT returns for the periods January, March and May 2015 were lodged to the Receiver of Revenue after the due dates. This is in contravention of the VAT Act and the Council may suffer penalties and interest charges levied on these non-compliances.

6. FINANCIAL RESULTS

	Revenue	Expenditure	Surplus/ (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus/(deficit) as at 01/07/2014				(8 114 402)
General Services				
Non-profitable	7 649 616	12 968 798	(5 319 182)	
Self-supporting	2 016 004	2 295 992	(279 988)	
Trade Accounts				
Water	7 036 310	4 677 001	2 359 309	
	16 701 930	19 941 791	(3 239 861)	
Deficit for the year				(3 239 861)
Adjustments and utilizations (See Note 9, Annexure D.)				** 16 271 563
Accumulated surplus 30/06/2015				4 917 300

** Adjustment was passed in the appropriation account amounting to N\$ 9 791 840 with no supporting documents, also this adjustment does not appear in the general ledger.

7. CURRENT BANK ACCOUNT

The favourable bank statement balance on the bank account amounted to N\$ 315 017 (2014: N\$ 5 570 882).

8. INVESTMENTS AND INTEREST PROCEEDS

The investments as at 30 June 2015 were as follows:

Institution	Investments		Interest	
	2015	2014	2015	2014
	N\$	N\$	N\$	N\$
Commercial banks	18 677 044	13 439 467	-	-
	18 677 044	13 439 467	-	-
Distribution				
Fixed Property Fund	11 950 516	8 444 549	-	-
Housing Fund	2 781 827	2 279 012	-	-
Revenue Fund	3 944 701	4 101 995	-	-
	18 677 044	14 825 556	-	-

There was interest received on investments to the amount of N\$ 761 169 (2014: N\$ 714 059) in the current year. These amounts are not reflected under revenue and the Build Together Fund; however, the interest is included in investments. The contra-account could not be explained.

9. FUND ACCOUNTS

The position of the Fund accounts at the end of the year is shown in Note 7 of Annexure D.

10. TRADE ACCOUNTS

10.1 Operating results

	Water	
	2015	2014
	N\$	N\$
Sales	6 847 366	6 574 680
Cost of Sales (Bulk purchases)	(4 328 201)	(5 400 558)
Gross surplus	2 519 165	1 174 122
Other (expenses)/income	(159 856)	87 161
Net surplus	2 359 309	1 261 283
Gross loss % on cost of sales	58.2%	22.0 %
Net loss % on cost of sales	54.5%	23.4%

10.2 Distribution losses

No distribution results for water were available for the year under review. The Town Council is urged to re-implement the auxiliary registers which enabled to provide for water distribution losses for previous years.

11. SELF-SUPPORTING SERVICES

The net results of self-supporting services were as follows:

	Income	Expenses	Surplus/(Loss)	Surplus/(Loss)
	2015	2015	2015	2014
	N\$	N\$	N\$	N\$
Cleansing services	1 234 012	1 802 330	(568 317)	(1 003 888)
Sewerage	781 991	493 662	288 329	159 098
	2 016 003	2 295 992	(279 988)	(844 790)

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

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

13. SUSPENSE ACCOUNTS

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

14. IRREGULARITIES AND LOSSES

No irregularities and losses were revealed by the audit for the year under review.

15. CAPITAL PROJECTS

The following expenditure were incurred during the year for capital projects or acquisitions.

	Revenue account 2015	Total expenditure 2015	Total expenditure 2014
	N\$	N\$	N\$
Road Infrastructure	977 085	977 085	414 679
Tipper trucks	-	-	897 781
Otuzemba project	215 102	215 102	5 504 576
Motor vehicles	-	-	54 734
Firefighting house	1 203 077	1 203 077	20 100
Office furniture	50 497	50 497	-
Sewerage upgrade	2 801 971	2 801 971	6 897 502
Informal vendors	235 625	235 625	-
Total	5 483 357	5 483 358	13 789 372

16. BURSARIES

No bursaries were granted during the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

	2015	2014
	N\$	N\$
Contribution from Government (Subsidy)	4 875 000	19 959 375
	4 875 000	19 959 375

18. COMPENSATION PAYMENTS

No compensation payments were made during the year under review.

19. VISITS TO FOREIGN COUNTRIES

No foreign visits were undertaken during the year under review.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

No claims against the Local Authority payments were made during the year under review.

21. GIFTS / DONATIONS BY / TO THE LOCAL AUTHORITY

No gifts/donations by /to Local Authority were made during the year under review.

22. TRANSFER OF PROPERTY TO / FROM GOVERNMENT

No properties were transferred from the Ministry of Urban and rural development for the year under review.

23. DEBTORS AND CREDITORS

23.1 Debtors on 30 June 2015 comprise the following:

	2015	2014
	N\$	N\$
Services to customers	4 530 513	4 347 038
Namwater debtors	596 010	3 484 713
Namwater payments	-	353 608
Sundry debtors 511	222 776	7 005
VAT	434 502	-
Debtors – Build Together	6 476 710	7 065 577
	12 260 511	15 257 941
Less: Provision for bad debts	(3 500 000)	(7 097 423)
	8 760 511	8 160 518

23.2 Creditors at 30 June 2015 comprise the following:

	2015	2014
	N\$	N\$
Trade creditors	173 772	535 146
Receiver of Revenue – VAT	-	6 954 742
Regional Council Fees	32 076	64 157
Provision: Namwater	-	1 258 152
Namwater	-	8 275 608
Sundry creditors	533 685	685 527
Consumer deposits	765	265
Provision for leave days	885 921	628 618
	1 626 219	18 402 2015

24. ASSESSMENT RATES

	2015	2014
	N\$	N\$
Net proceeds from assessment rates were	641 527	641 568
Tariffs per N\$ 1 valuation per annum - Business		
Valuation per annum		
- Land	0.001	0.001
- Improvements	0.0126	0.0126
Tariffs per N\$ 1 valuation per annum - Residential		
Valuation per annum		
- Land	0.001	0.001
- Improvements	0.0126	0.0126

25. LOANS

25.1 External loans

No external loans were advanced during the year under review.

25.2 Internal loans

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

25.3 Housing loans

Housing loans advanced to buyers under the Build Together Scheme is disclosed as N\$ 6 476 710 (2014: N\$ 7 065 577) in the annual financial statements.

26. SALE OF ERVEN

Information provided by the Council shows that an amount of N\$ 583 828 (2014: N\$ 1 270 416) was recognised from sale of erven. This amount could however not be linked to any Finstel reports for completeness.

27. PROPERTY SOLD ON INSTALLMENT BASIS

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

28. TARIFF ADJUSTMENTS

No tariff changes were applied as there was no change to the Government Gazette on tariff rates.

29. APPROVALS

29.1 Excess on approved budget

There was no excess spending noted in the current year in certain votes. The Auditors could not ascertain if the extra expenditure on certain votes was approved as Council could not provide any proof.

30. STOCK AND EQUIPMENT

30.1 Motor vehicles

There is no auxiliary register for the year under review. Auditors could only obtain a list of vehicles registered under Town Council's name.

30.2 Inventory

No inventory on store materials was recorded or disclosed in the annual financial statements for the financial year although inventories did exist

31. SPECIAL INVESTIGATIONS

The auditors are not aware of any special investigation concluded on the affairs of the Town Council.

32. HIV/AIDS

Information could not be obtained from the Town Council.

33. RISK MANAGEMENT

No Risk Management in place.

34. INTERNAL AUDIT & AUDIT COMMITTEE

No Audit Committee in place.

35. GENERAL

35.1 Internal controls

The accounting and internal controls were found to be inadequate. Proper segregation of duties is not feasible due to the small number of staff employed. While increased management involvement reduces risks, the risk arises that management and Town Council override existing controls, a potentially dangerous practice, which Town Council should vigilantly guard against.

36. FORMAL AND INFORMAL QUERIES

36.1 Formal queries are embodied in this report.


37. BASIS FOR DISCLAIMED AUDIT OPINION

- Difference in FINSTEL trial balance amounting to N\$ 13 428 773;
- The inventory value at year end was not accounted for in the financial statements;
- No records maintained for Consumer deposits;
- Unreconciled Build Together and Fixed Housing Funds;
- Records of funds disbursed for Build Together Housing Project were not captured on the FINSTEL system;
- No updated fixed asset register provided for audit purpose;
- Unexplained adjusting journal to the appropriation account amounting to N\$ 9 791 840;
- Lack of supporting documents to verify Sundry creditors amounting to N\$ 533 685;
- Lack of supporting documents to verify Trade creditors amounting to N\$ 173 771;
- Understatement of Accruals amounting to N\$ 249 378.
- Lack of supporting documents to verify Sundry debtors amounting to N\$ 222 776;
- Understated Provision for bad debts;
- Unreconciled current account differences amounting to N\$ 718 624;
- Invalid bank reconciliation amounting to N\$ 1 841 840;
- Unexplained adjustment of N\$ 1 293 259 on the bank reconciliation;
- Difference to the value of N\$ 7 037 654 on VAT calculation;
- Lack of supporting documents to verify revenue accounts to the value of N\$ 6 984 702;
- Undisclosed interest earned from investments to the value of N\$ 761 169 ; and
- Loan receivables to the value of N\$ 167 000 was expensed.

38. DISCLAIMED AUDIT OPINION

The accounts of the Town Council of Opuwo for the financial year ended 30 June 2015, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992) read with Section 25(1) (b) of the State Finance Act, 1991 (Act 31 of 1991).

Because of the significance of the matters described in the Basis for Disclaimer of Audit 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 2016

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**TOWN COUNCIL OF OPUWO
BALANCE SHEET AT 30 JUNE 2015**

	Note	2015 N\$	2014 N\$
ASSETS			
Non-current assets		47 526 319	41 548 046
Property, plant and equipment	2	28 849 275	26 722 490
Investments	3	18 677 044	14 825 556
Current assets		9 075 528	13 258 387
Trade and other receivables	4	8 760 511	8 160 519
Cash and cash equivalents	5	315 017	5 097 868
TOTAL ASSETS		56 601 847	54 806 433
FUNDS AND LIABILITIES			
Funds and reserves		54 975 628	36 397 227
Capital outlay	6	28 849 275	26 722 490
Funds and accounts	7	26 126 353	9 674 737
Current liabilities			
Trade and other payables	8	1 626 219	18 409 206
TOTAL FUNDS AND LIABILITIES		56 601 847	58 806 433

**TOWN COUNCIL OF OPUWO
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE**

	Note	2015	2014
		N\$	N\$
INCOME		16 701 930	31 991 958
EXPENDITURE		(19 941 791)	(29 904 306)
NET OPERATING (DEFICIT)/SURPLUS		(3 239 861)	2 087 652
INTEREST ON INVESTMENTS		-	-
NET (DEFICIT)/SURPLUS AFTER INTEREST		(3 239 861)	2 087 652
APPROPRIATION ACCOUNT	9	16 271 562	(2 468 485)
NET SURPLUS/(DEFICIT) AFTER APPROPRIATIONS		13 031 701	(380 833)
REVENUE ACCOUNT - Beginning of year		(8 114 402)	(7 733 569)
REVENUE ACCOUNT - End of year		4 917 299	(8 114 402)

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

	Note	2015 N\$	2014 N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		16 701 930	31 991 958
Cash paid to suppliers		(21 053 207)	(37 251 873)
Cash (utilised)/generated by operations	10	(4 351 277)	5 259 916
Interest received		-	-
Net cash flows from operating activities		(4 351 277)	5 259 916
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in funds		8 903 272	11 106 000
Net cash flows from financing activities		8 903 272	11 106 000
CASH FLOWS TO INVESTING ACTIVITIES			
Net capital expenditure		(5 483 358)	(10 445 685)
Increase in investments		(3 851 488)	(1 386 089)
Net cash flows from investing activities		(9 334 846)	(11 831 774)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4 782 851)	4 534 142
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		5 097 868	563 727
CASH AND CASH EQUIVALENTS- END OF YEAR	5	315 017	5 097 868

**TOWN COUNCIL OF OPUWO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2015**

1. ACCOUNTING POLICIES

1.1 Introduction

The annual financial statements are compiled in accordance with the historical cost convention modified by the restatement of financial assets to fair value, except where otherwise stated.

The principal accounting policies of the Town Council, which are set out below, have been consistently applied. The financial statements have been prepared in accordance with the requirements of the Namibian Local Authorities Act, 1992 (Act 23 of 1992), as amended.

1.2 Property, plant and equipment

Property, plant and equipment are stated at cost or valuation where assets have been acquired by grant or by donation. Property, plant and equipment are depreciated over their estimated useful lives as determined by the Council.

1.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purpose of the cash flow statement, cash and cash equivalents comprises of cash in hand and deposits held at commercial banks.

1.4 Funds

The following Funds were maintained by the Council in terms of Sections 58(1) and 80(4) of the Local Authorities Act (Act 23 of 1992):

1.4.1 Build Together Fund

The purpose of this Fund is to provide for housing loans. Income for the Fund is derived from interest earned on investments and outstanding Build Together loans as well as government subsidies.

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

	2015	2014
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Consists of:		
Property development, vehicles, plant and equipment	28 849 275	26 722 490
Finance by:		
Revenue account	28 849 275	26 722 490
	28 849 275	26 722 490
3. INVESTMENTS		
Commercial banks	18 677 044	14 825 556
Allocated as follows:		
Housing Fund	2 781 827	2 279 012
Revenue Property Fund	3 944 701	4 101 995
Fixed Property Fund	11 950 516	8 444 549
Total	18 677 044	14 825 556
4. TRADE AND OTHER RECEIVABLES		
Services customers	4 530 513	4 347 038
Namwater debtor	596 010	3 484 713
Sundry debtors	222 776	7 005
Build Together advances	6 476 710	7 065 577
Namwater payments	-	353 609
VAT	434 502	-
	12 260 511	15 257 942
Less Provision for bad debts	(3 500 000)	(7 097 423)
	8 760 511	8 160 519
5. CASH AND CASH EQUIVALENTS		
Current bank account	315 017	5 097 868
	315 017	5 097 868

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

	2015	2014
	N\$	N\$
6. CAPITAL OUTLAY		
Revenue contributions	28 849 275	26 722 490
7. FUNDS, ACCOUNTS AND RESERVES		
Fixed Property Fund	11 950 516	8 444 549
Housing Fund	9 258 538	9 344 589
Subtotal	21 209 054	17 789 138
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	4 917 299	(8 114 401)
	26 126 353	9 674 737
8. TRADE AND OTHER PAYABLES		
Trade payables	172 772	535 146
Sundry creditors - Namwater	533 685	685 527
Provision for leave days	885 921	628 618
Provision: Namwater	-	1 258 152
Water payments - 514	-	6 990
Customer deposits	765	265
Other payables	32 076	64 158
VAT	-	6 954 742
Namwater	-	8 275 608
	1 626 219	18 409 206
9. ADJUSTMENTS AND UTILISATIONS		
Previous year adjustments:		
Increase in provision for bad debts	-	(1 381 373)
Increase in provision for leave pay	-	(28 618)
Opening balance adjustment	-	(878 088)
Adjustment	16 271 562	(659 178)
Prior year adjustments:		
Debtors Namwater	-	478 772
	16 271 562	(2 468 485)

TOWN COUNCIL OF OPUWO

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

(continued)

	2015	2014
	N\$	N\$
10. CASH UTILISED BY OPERATIONS		
NET OPERATING (DEFICIT)/SURPLUS	(3 239 862)	2 087 652
ADJUSTMENT FOR:		
- Adjustments to appropriation account	16 271 563	(2 468 485)
OPERATING SURPLUS/(DEFICIT) BEFORE CHANGES IN WORKING CAPITAL	13 031 701	(380 833)
CHANGES IN WORKING CAPITAL		
Increase in trade and other receivables	(599 991)	8 002 323
Decrease in trade and other payables	(16 782 987)	(2 361 574)
	(17 382 978)	5 640 749
CASH UTILISED BY OPERATIONS	(4 351 277)	5 259 916

