



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
VILLAGE COUNCIL OF KALKRAND
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2010 AND 2011

Published by authority

Price (Vat excluded) N\$ 36.44
Report no: 58/2013

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Village Council of Kalkrand for the financial years ended 30 June 2010 and 2011, 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, May 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
KALKRAND VILLAGE COUNCIL
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2010 AND 2011**

1. INTRODUCTION

The accounts of the Kalkrand Village Council for the years ended 30 June 2010 and 2011 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Local Authorities Act, 1992 (Act 23 of 1992).

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

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

2. FINANCIAL STATEMENTS

The Village Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 87 (1) of the Local Authorities Act, 1992, **except that they were only finalised and signed during February 2013 instead of six months after the year-end as required by the Act.** The audited financial statements are in agreement with the general ledger and are filed in the Office of the Auditor-General. The abridged balance sheet at Annexure A is a true reflection of the original signed by the Accounting Officer.

The financial statements also include:

Annexure B: Abridged income statement

Annexure C: Cash flow statement

Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

Management's Responsibility for the Financial Statements

The Accounting Officer of the Village Council is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation

of the financial statements.

4. AUDIT OBSERVATION AND COMMENTS

4.1 Internal control and accounting records

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

4.2 Property, plant and equipment

There is a difference of N\$ 63 285 between the financial statements and the fixed assets register for the 2009/10 financial year. There are motor vehicles owned by the Council that are not reflected on the fixed assets register. Depreciation is not calculated correctly for the years under review.

The auditors could not verify that the assets are adequately insured as no insurance policy could be provided for the years under review.

4.3 Trade receivables

No list of trade receivables was available for audit purposes for the years under review.

The auditors are of the opinion that the provision for bad debts is overstated by N\$ 1 498 533: 2011 and N\$ 962 663: 2010 (2009: understated - N\$ 832 006).

No information regarding the Build Together Fund could be provided. No significant repayments have been made for the Build Together loan advances.

4.4 Inventories

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

4.5 Trade and other payables

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

No records for the provision for leave were available at the Village Council and the auditors were thus unable to evaluate the reasonableness of the provision.

4.6 Salaries and wages

Not all salary and wage information was available for audit purposes for the years under review.

4.7 VAT and PAYE

No PAYE returns were submitted to the Directorate: Inland Revenue for the years under review. No provisions in the financial statements were made for the outstanding PAYE.

Included in trade and other payables is an amount of N\$ 597 152: 2011 and N\$ 284 982: 2010 (2009: N\$ 273 263) for VAT payable. Due to a lack of supporting documentation, the auditors were unable to verify the accuracy of these amounts.

4.8 Refuse and sewerage

The auditors were unable to verify the accuracy and completeness due to a lack of supporting documentation for the years under review.

4.9 Assessment rates and taxes

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

4.10 Minutes of meetings

No minutes of the meetings could be provided for the years under review.

4.11 Other receivables - Build Together advances

Included in other receivables is an amount of N\$ 534 690: 2010 (2009: N\$ 534 690) for Build Together advances. No list of these advances could be provided to the auditors and the auditors were thus unable to verify the completeness and accuracy of these advances.

4.12 Income and expenses

No water and electricity sales could be tested as no meter reading cards could be provided for audit purposes for the years under review.

Expenses could not be tested to the auditors' satisfaction as no proper supporting documentation could be provided for the years under review.

4.13 Investments

No supporting documentation for investments of N\$ 105 412 for the 2010 financial year was available. The auditors therefore could not verify the correctness of investments.

5. ACKNOWLEDGEMENT

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

6. FINANCIAL RESULTS

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

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2010				(1 413 406)
General accounts				
- Non-profitable	4 704 279	3 465 998	1 238 281	
- Self-supporting	131 562	23 468	108 094	
Trade accounts				
- Water	215 865	522 777	(306 912)	
- Electricity	544 988	591 297	(46 309)	
Surplus for the year	5 596 694	4 603 540	993 154	993 154
Adjustments and utilisations (See note 10, Annexure D)				(420 252)
				(1 241 444)
Accumulated deficit 30/06/2011				(1 661 696)

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus 01/07/2009				886 440
General accounts				
- Non-profitable	1 394 867	2 077 675	(682 808)	
- Self-supporting	4 129 262	4 132 206	(2 944)	
Trade accounts				
- Water	434 617	597 075	(162 458)	
- Electricity	530 305	308 491	221 814	
Deficit for the year	6 489 051	7 115 447	(626 396)	(626 396)
Adjustments and utilisations (See note 10, Annexure D)				260 044 (1 673 450)
Accumulated deficit 30/06/2010				(1 413 406)

7. CURRENT BANK ACCOUNT

	2011	2010	2009
	N\$	N\$	N\$
Cash-book balance at 30 June	636 460	97 308	15 629
Outstanding cheques	111 464	68 354	13 932
Other reconciling items	(65 716)	(62 157)	-
Balance as per bank statement	682 208	103 505	29 561

8. INVESTMENTS

On 30 June the investments were as follows:

	2011	2010	2009
	N\$	N\$	N\$
Commercial banks	3 485 756	6 213 538	1 022 274

The investments were allocated as follows between the Funds:

	2010	2010	2009
	Investment	Investment	Investment
	N\$	N\$	N\$
Build Together Fund	863 820	32 480	28 063
Fixed Property Fund	2 125 860	6 103 077	-
Revenue	326 606	-	994 211
Capital Reserve Fund	2 264	2 264	-
Renewal Fund	167 206	75 717	-
	3 485 756	6 213 538	1 022 274

9. FUND ACCOUNTS

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

10. TRADE ACCOUNTS

10.1 The results of operations were as follows:

	Electricity		Water	
	2011	2010	2011	2010
	N\$	N\$	N\$	N\$
Sales	541 188	527 757	214 627	-
Cost of sales	(566 943)	(303 439)	(494 049)	-
Gross profit/(loss)	(25 755)	224 318	(279 422)	-
Net (expenditure)/income	(20 554)	(2 503)	(27 490)	(162 458)
Net deficit	(46 309)	221 815	(306 912)	(162 458)
Gross profit/(loss) percentages on sales	(4.8%)	42.5%	(130.2%)	
Net profit/(loss) percentage on sales	(8.6%)	42.0%	(143.0%)	

	Electricity		Water	
	2010	2009	2010	2009
	N\$	N\$	N\$	N\$
Sales	527 757	502 003	-	269 134
Cost of sales	(303 439)	(54 524)	-	(328 680)
Gross profit/(loss)	224 318	447 479	-	(59 546)
Net (expenditure)/income	(2 504)	(479 289)	(162 458)	(55 848)
Net deficit	221 814	(31 810)	(162 458)	(115 394)
Gross profit/(loss) percentages on sales	42.5%	89.1%		(22.1%)
Net profit/(loss) percentage on sales	42.0%	(6.3%)		(42.9%)

No income statement for water was presented for audit.

10.2 Distribution results were as follows:

No statistics for water and electricity distribution in units were kept by the Village Council for the years under review:

11. SELF-SUPPORTING SERVICES

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

	Income 2011	Expenses 2011	Surplus/ (deficit) 2011	Surplus/ (deficit) 2010
	N\$	N\$	N\$	N\$
Cleansing services	120 159	-	120 159	(23 264)
Townlands	11 403	23 468	(12 065)	20 320
Surplus/(deficit) for the year	131 562	23 468	108 094	(2 944)

	Income 2010	Expenses 2010	Surplus/ (deficit) 2010	Surplus/ (deficit) 2009
	N\$	N\$	N\$	N\$
Cleansing services	4 108 942	4 132 206	(23 264)	63 717
Townlands	20 320	-	20 320	15 571
Surplus/(deficit) for the year	4 129 262	4 132 206	(2 944)	79 288

Council should introduce measures to reduce the losses on the loss-making services.

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

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

13. SUSPENSE ACCOUNTS

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

14. IRREGULARITIES AND LOSSES

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

15. CAPITAL PROJECTS

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

Nature of projects/acquisitions	Financed by	Total expenditure 2011	Total expenditure 2010
	Revenue account		
	N\$	N\$	N\$
General administration	334 236	334 236	175 379
Streets	63 239	63 239	436 355
Sewerage	4 451 342	4 451 342	4 130 532
	4 848 817	4 848 817	4 742 266

Nature of projects/acquisitions	Financed by	Total expenditure 2010	Total expenditure 2009
	Revenue account		
	N\$	N\$	N\$
General administration	175 379	175 379	30 017
Water	-	-	15 077
Streets	436 355	436 355	-
Sewerage	4 130 532	4 130 532	-
	4 742 266	4 742 266	45 094

The income statements reflect an amount of N\$ 2 688 773: 2011 and N\$ 121 325: 2010 more for additions than the capital statement.

16. BURSARIES

There were no bursaries granted for the years under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID RECEIVED FROM GOVERNMENT

	2011	2010	2009
	N\$	N\$	N\$
Contribution	4 269 222	4 600 000	1 200 000

18. COMPENSATION PAYMENTS

There were no compensation payments for the years under review.

19. VISITS TO FOREIGN COUNTRIES

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

20. CLAIMS AGAINST THE LOCAL AUTHORITY

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

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

There were no such expenses for the years under review.

22. TRANSFER OF PROPERTY

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

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

23. TRADE AND OTHER RECEIVABLES/PAYABLES

23.1 Trade and other receivables at 30 June were:

	2011	2010	2009
	N\$	N\$	N\$
Services	2 360 905	1 998 132	1 258 319
Build Together Fund	606 218	534 690	534 690
Sundry receivables	12 965	4 551	-
Provision for bad debts	(3 660 700)	(2 758 193)	(250 000)
Total	(680 612)	(220 820)	1 543 009

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

23.2 Trade and other payables at 30 June were:

	2011	2010	2009
	N\$	N\$	N\$
Trade payables	249 011	243 625	501 333
Consumer deposits	2 115	2 115	2 115
VAT control	597 152	284 982	273 263
Interest and redemption	139 913	128 540	117 167
Suspense accounts	243 625	-	-
Provisions	107 116	-	-
	1 338 932	659 262	893 878

24. ASSESSMENT RATES

	2011	2010	2009
	N\$	N\$	N\$
Proceeds	87 472	87 472	81 732
Tariffs per N\$1 valuation			
- Land	0.0900	0.0900	0.0900
- Improvements	0.0000	0.0000	0.0035

25. LOANS

25.1 External loans

	2011	2010	2009
	N\$	N\$	N\$
Government of Namibia	91 153	94 322	97 241

25.2 Due to the Village Council

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

25.3 Loans written off

No loans were written off during the years under review.

26. SALE OF ERVEN

No list of sale of erven was available for audit purposes for the years under review.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

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

28. TARIFF ADJUSTMENTS

Tariff adjustments were duly approved and promulgated in the Government Gazette for the years under review.

29. APPROVALS

All necessary approvals were obtained for the years under review.

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicle and values thereof

No asset register reflecting motor vehicles was available at the Council for the years under review.

30.2 Inventory

No inventory records were available for the years under review.

31. SPECIAL INVESTIGATIONS

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

32. GENERAL

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

33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 There were no informal queries.

34. DISCLAIMED AUDIT OPINION

The accounts of the Village Council of Kalkrand for the financial years end 30 June 2010 and 2011, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authority act, 1992, read with Section 25 (1) (b) of the State Finance Act, 1991.

I am unable to form an opinion due to the following reasons:

Internal control and accounting records

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

Trade receivables

No detailed list of trade receivables was available for audit purposes.

The auditors are of the opinion that the provision for bad debts is overstated by N\$ 1 498 533: 2011 and N\$ 962 663 (2009: understated - N\$ 832 006).

No information regarding the Build Together Fund could be provided for audit purposes for the years under review.

Trade and other payables

No reconciliations of trade and other payables were available for audit purposes for the years under review.

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

Property, plant and equipment

There is a difference of N\$ 63 285 between the financial statements and the fixed assets register. There are motor vehicles owned by the Council that are not reflected on the fixed assets register. Depreciation is not calculated correctly for the years under review.

The auditors could not verify that the assets are adequately insured as no insurance policy could be provided.

Inventories

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

Salaries and wages

Not all salary and wage information was available for audit purposes for the years under review.

VAT and PAYE

No PAYE returns were submitted to the Directorate: Inland Revenue for the years under review.

Included in trade and other payables is an amount of N\$ 597 152: 2011 and N\$ 284 982: 2010 (2009: N\$ 273 263) for VAT payable. Due to a lack of supporting documentation, the auditors were unable to verify the accuracy of this amount.

Minutes of meetings

No minutes of the meetings could be provided.

Other receivables - Build Together advances

Included in other receivables is an amount of N\$ 606 218: 2011 and N\$ 534 690: 2010 (2009: N\$ 534 690) for Build Together advances. No list of these advances could be provided to the auditors and the auditors were thus unable to verify the completeness and accuracy of these advances.

Income and expenses

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

Investments

No supporting documentation for investments of N\$ 105 412 for the 2010 financial year was available.

WINDHOEK, May 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

VILLAGE COUNCIL OF KALKRAND

BALANCE SHEET AT 30 JUNE

	Notes	2011 N\$	2010 N\$	2009 N\$
ASSETS				
Non-current assets		13 602 276	12 414 720	2 998 684
Property, plant and equipment	1	10 116 520	6 201 182	1 976 410
Investments	2	3 485 756	6 213 538	1 022 274
Current assets		(43 152)	(122 512)	1 558 637
Trade and other receivables	3	(680 612)	(220 820)	1 543 009
Cash and cash equivalents	4	637 460	98 308	15 628
TOTAL ASSETS		13 559 124	12 292 208	4 557 321
FUNDS AND LIABILITIES				
Funds and reserves		12 129 039	11 538 624	3 566 202
Capital outlay	5	10 025 367	6 106 860	1 878 222
Funds and accounts	6	2 103 672	5 431 764	1 687 980
Long-term liabilities	7	91 153	94 322	97 241
Current liabilities				
Trade and other payables	8	1 338 932	659 262	893 878
TOTAL FUNDS AND LIABILITIES		13 559 124	12 292 208	4 557 321

VILLAGE COUNCIL OF KALKRAND

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2011 N\$	2010 N\$	2009 N\$
INCOME		5 549 597	6 303 380	2 307 065
EXPENDITURE		(4 603 540)	(7 115 447)	(2 124 638)
NET OPERATING (DEFICIT)/SURPLUS		946 057	(812 067)	182 427
INVESTMENT INCOME EARNED FOR REVENUE ACCOUNTS		47 097	185 671	27 176
NET(DEFICIT)/SURPLUS FOR THE YEAR		993 154	(626 396)	209 603
APPROPRIATION ACCOUNT - Adjustments	9	(1 241 444)	(1 673 450)	108 154
		(248 290)	(2 299 846)	317 757
ACCUMULATED FUNDS - Beginning of year		(1 413 406)	886 440	568 683
ACCUMULATED FUNDS - End of year		(1 661 696)	(1 413 406)	886 440

VILLAGE COUNCIL OF KALKRAND

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2011 N\$	2010 N\$	2009 N\$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		5 549 597	6 303 380	2 307 065
Cash paid to suppliers		(4 705 522)	(7 259 684)	(1 805 003)
Cash (utilised)/generated by operations	10	844 075	(956 304)	502 062
Investment income		47 097	185 671	27 176
Movement in Fund accounts				
- Increase in Fund accounts		(3 079 802)	6 043 630	1 161
- Increase in Capital outlay		3 918 507	4 228 638	47 783
Net cash flow from operating activities		1 729 877	9 501 635	578 182
CASH FLOW FROM INVESTING ACTIVITIES				
Net capital expenditure		(3 915 338)	(4 224 772)	(45 094)
Increase in investments		2 727 782	(5 191 264)	(442 655)
		(1 187 556)	(9 416 036)	(487 749)
CASH FLOW FROM FINANCING ACTIVITIES				
Decrease in long-term liabilities		(3 169)	(2 919)	(2 688)
		(3 169)	(2 919)	(2 688)
NET INCREASE IN CASH AND CASH EQUIVALENTS		539 152	82 680	87 745
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		98 308	15 628	(72 117)
CASH AND CASH EQUIVALENTS - END OF YEAR		637 460	98 308	15 628

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.

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.

VILLAGE COUNCIL OF KALKRAND

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

	2011	2010	2009
		N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT			
Property development, vehicles, plant and equipment at cost	10 116 520	6 201 182	1 976 410
3. INVESTMENTS			
Commercial banks	3 485 756	6 213 538	1 022 274
The investments were allocated as follows between the Funds:			
Build Together Fund	863 820	32 480	28 063
Fixed Property Fund	2 125 860	6 103 077	-
Revenue	326 606	-	994 211
Capital Reserve Fund	2264	2 264	-
Renewal Fund	167 206	75 717	-
	3 485 756	6 213 538	1 022 274
4. TRADE AND OTHER RECEIVABLES			
Services	2 360 905	1 998 132	1 258 319
Build Together Fund	606 218	534 690	534 690
Sundry receivables	12 965	4 551	-
Provision for bad debts	(3 660 700)	(2 758 193)	(250 000)
	(680 612)	(220 820)	1 543 009
5. CASH AND CASH EQUIVALENTS			
Cash on hand	1 000	1 000	-
Current bank account	636 460	97 308	15 628
	637 460	98 308	15 628
6. CAPITAL OUTLAY			
Loans redeemed	26 404	23 235	20 317
Revenue contributions	9 997 541	6 081 729	1 855 535
General Capital contributions	1 422	1 896	2 370
	10 025 367	6 106 860	1 878 222

VILLAGE COUNCIL OF KALKRAND

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

	2011	2010	2009
		N\$	N\$
7. FUNDS AND ACCOUNTS			
Capital Reserve Fund	2 263	2 263	2 263
Renewal Fund	167 206	167 206	167 206
Build Together Fund	1 470 038	572 624	562 753
Fixed Property Fund	2 125 861	6 103 077	69 318
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	(1 661 696)	(1 413 406)	886 440
	2 103 672	5 431 764	1 687 980
8. LONG-TERM LIABILITIES			
External loans	91 153	94 322	97 241
9. TRADE AND OTHER PAYABLES			
Trade payables	249 011	243 625	501 333
Consumer deposits	2 115	2 115	2 115
VAT control	597 152	284 982	273 263
Interest and redemption	139 913	128 540	117 167
Suspense accounts	243 625	-	-
Provisions	107 116	-	-
	1 338 932	659 262	893 878
10. ADJUSTMENTS TO APPROPRIATION ACCOUNT			
Prior year adjustments	294 357	203 564	-
Provision for bad debts	(1 535 801)	(1 877 014)	-
Unexplained difference	-	-	108 154
	(1 241 444)	(1 673 450)	108 154

VILLAGE COUNCIL OF KALKRAND

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

	2011	2010	2009
		N\$	N\$
11. CASH (UTILISED)/GENERATED BY OPERATIONS			
Net operating profit before transfers	993 154	(626 396)	209 603
Adjustments for :			
- Adjustments to appropriation account	(1 241 444)	(1 673 450)	108 154
- Investment income	(47 097)	(185 671)	(27 176)
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL	(295 387)	(2 485 517)	290 581
CHANGES IN WORKING CAPITAL			
Change in trade and other receivables	459 792	1 763 829	(20 473)
Change in trade and other payables	679 670	(234 616)	231 954
	1 139 462	1 529 213	211 481
CASH (UTILISED)/GENERATED BY OPERATIONS	844 075	(956 304)	502 062